

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | | |
|--|--|--|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-0577-B | |
| b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Ute Tribe | |
| 2. NAME OF OPERATOR Coastal Oil & Gas Corporation | | 7. UNIT AGREEMENT NAME Natural Buttes Unit | |
| 3. ADDRESS AND TELEPHONE NO. P.O. Box 749, Denver, CO 80201-0749 | | 8. FARM OR LEASE NAME, WELL NO. NBU 294 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1130' FNL & 1398' FWL At proposed prod. zone 345 426 | | 9. API WELL NO. | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE Approximately 36.9 miles southeast of Vernal, Utah | | 10. FIELD AND POOL, OR WILDCAT Natural Buttes Field | |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) N/A | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 22 T9S-R20E | |
| 16. NO. OF ACRES IN LEASE 400 | | 12. COUNTY OR PARISH Utah | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL N/A | | 13. STATE Utah | |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See Topo Map C | | 20. ROTARY OR CABLE TOOLS Rotary | |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) Ungraded GR - 4909.3' | | 22. APPROX. DATE WORK WILL START* Upon Approval | |

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|----------------------|-----------------|---------------|--------------------|
| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| See attached | | | | |
| Drilling Program | | | | |

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by: State of Utah Bond #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #114066-A.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Sheila Bremer
SIGNED Sheila Bremer TITLE Environmental & Safety Analyst DATE 12/4/97

(This space for Federal or State office use)

PERMIT NO. 43 047-33 020 APPROVAL DATE _____

Application approval does not warrant or certify that ~~Federal Approval of this~~ to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

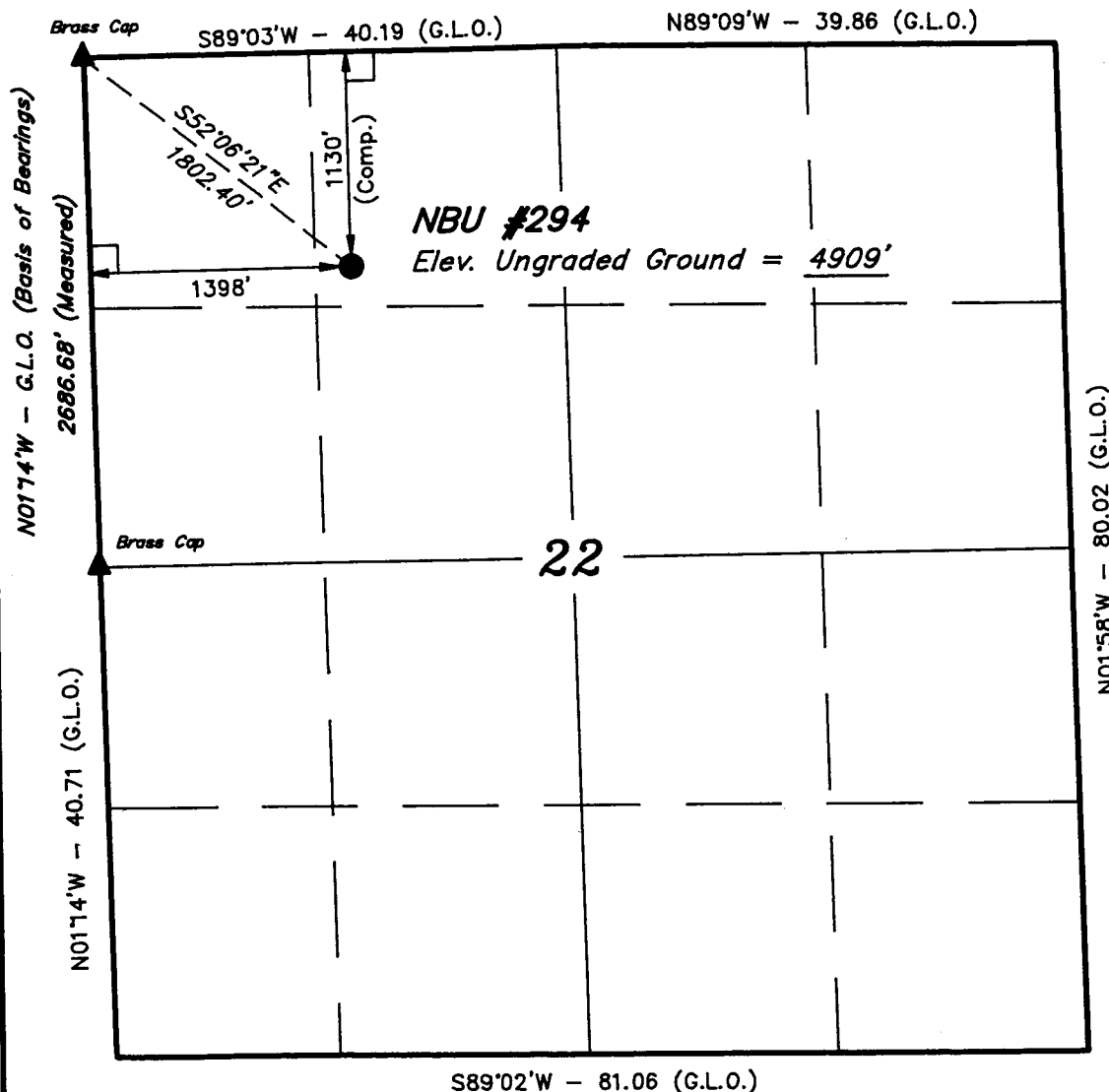
CONDITIONS OF APPROVAL, IF ANY: **Action is Necessary**

APPROVED BY Bradley G. Hill TITLE RECLAMATION SPECIALIST III DATE 5/12/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

T9S, R20E, S.L.B.&M.

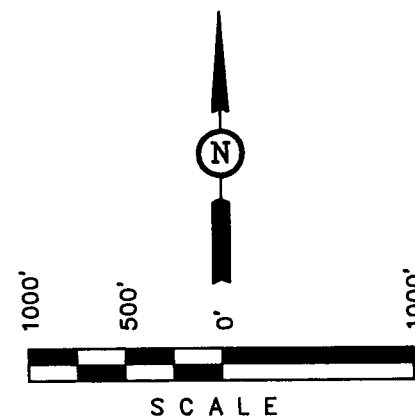


COASTAL OIL & GAS CORP.

Well location, NBU #294, located as shown in the NE 1/4 NW 1/4 of Section 22, T9S, R20E, S.L.B.&M., Uintah County, Utah.

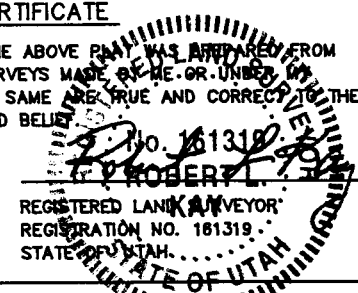
BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 22, T9S, R20E, S.L.B.&M. TAKEN FROM THE OURAY QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4890 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

| | | |
|-----------------------------|---------------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 4-17-97 | DATE DRAWN: 5-29-97 |
| PARTY L.D.T. B.G. C.B.T. | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE COASTAL OIL & GAS CORP. | |

**NBU 294
1130' FNL & 1398' FWL
NE/NW, SECTION 22-T9S-R20E
UINTAH COUNTY, UTAH
LEASE NUMBER: U-0577-B**

**ONSHORE ORDER NO. 1
COASTAL OIL & GAS CORPORATION**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| Formation | Depth |
|----------------------|---------|
| Duchesne River/Uinta | Surface |
| Green River | 1,714' |
| Wasatch | 5,247' |
| Total Depth | 6,700' |

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

| Substance | Formation | Depth |
|----------------|-------------|--------|
| Oil/Gas | Green River | 1,714' |
| | Wasatch | 5,247' |
| Water | N/A | |
| Other Minerals | N/A | |

3. Pressure Control Equipment:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

4. Proposed Casing & Cementing Program:

Please see the Natural Buttes Unit SOP.

5. Drilling Fluids Program:

Please see the Natural Buttes Unit SOP.

6. Evaluation Program:

Please see the Natural Buttes Unit SOP.

7. Abnormal Conditions:

Maximum anticipated bottomhole pressure approximately equals 2,680 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,206 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. Anticipated Starting Dates & Notification of Operations:

Please see the Natural Buttes Unit SOP.

9. Variances:

Please see the Natural Buttes Unit SOP.

10. Other Information:

Please see the Natural Buttes Unit SOP.

**NBU 294
1130' FNL & 1398' FWL
NE/NW, SECTION 22-T9S-R20E
UINTAH COUNTY, UTAH
LEASE NUMBER: U-0577-B**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the NBU 294 on 11/20/97 at approximately 9:30 a.m. Weather conditions were sunny and clear with moderate temperatures at the time of the onsite. In attendance at the inspection were the following individuals:

| | |
|-----------------|-------------------------------------|
| Sheila Bremer | Coastal Oil & Gas Corporation |
| Paul Breshears | Coastal Oil & Gas Corporation |
| Greg Darlington | Bureau of Land Management |
| Dale Hanberg | Bureau of Indian Affairs |
| Alvin Ignacio | Ute Tribe |
| Robert Kay | Uintah Engineering & Land Surveying |
| Harley Jackson | Jackson Construction |
| Alan Justice | J-West |
| John Faucett | John E. Faucett Construction |

1. Existing Roads:

The proposed well site is approximately 36.9 miles southeast of Vernal, Utah. Directions to the location from Vernal, Utah:

Proceed in a westerly direction from Vernal, Utah, along U.S. Highway 40 ± 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction ± 17.0 miles to Ouray, Utah; proceed in a southerly direction ± 3.6 miles on the Seep Ridge Road to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction ± 0.9 miles to the junction of this road and an existing road to the southwest; turn right and proceed in a southwesterly, then southeasterly, then southerly direction ± 0.7 miles to the 5-16GR location; turn left and proceed in a easterly, then southeasterly direction ± 0.7 miles to the beginning of the proposed access road to the southeast; follow road flags in a southeasterly direction $\pm 50'$ to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

The existing road will be rerouted as shown on the Location Layout Diagram.

2. Planned Access Roads:

Please see the Natural Buttes Unit Standard Operating Procedure (SOP).

Refer to Topo Map B for the location of the proposed access road.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

Please see the Natural Buttes Unit SOP.

Refer to Topo Map D for the location of the proposed pipeline.

5. **Location and Type of Water Supply:**

Please see the Natural Buttes Unit SOP.

6. **Source of Construction Materials:**

Please see the Natural Buttes Unit SOP.

7. **Methods of Handling Waste Materials:**

Please see the Natural Buttes Unit SOP.

8. **Ancillary Facilities:**

Please see the Natural Buttes Unit SOP.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

As per the onsite discussions, a reserve pit liner will be required.

10. **Plans for Reclamation of the Surface:**

Please see the Natural Buttes Unit SOP.

11. **Surface Ownership:**

The well pad and access road are located on lands owned by:

Bureau of Indian Affairs
Ute Ouray Agency
Ft. Duchesne, Utah 84026
(435) 722-2406

12. Other Information:

A Class III archaeological survey was conducted by Metcalf Archaeological Consultants. A copy of this report was submitted directly to the appropriate agencies by Metcalf Archaeological Consultants and is attached hereto. Cultural resource clearance was recommended for this location.

13. Lessee's or Operators's Representative & Certification:


Sheila Bremer
Environmental & Safety Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4455

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 418-4156

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Sheila Bremer

12/4/97

Date

**Coastal Oil & Gas Corporation's Proposed
NBU #294 Well Pad, Access and Pipeline
Located on Ute Tribal Lands, Uintah County, Utah
Class III Cultural Resource Inventory**

DENVER DISTRICT - E & S

Prepared by,
Dulaney Barclay
&

MAY 1 5 1997

John M. Scott
Metcalf Archaeological Consultants, Inc. BLC TFS SCP CEL
SAB JRN MDE LPS
Eagle, Colorado

Michael D. Metcalf
Principal Investigator

XC: RIL
doly

Prepared for,
Coastal Oil & Gas Corporation
Denver, Colorado

Utah State Project #U-97-MM-0205i

May 1997

INTRODUCTION

Metcalf Archaeological Consultants, Inc. (MAC), conducted a Class III cultural resource inventory of Coastal's proposed NBU #294 well pad, access road, and pipeline. The well project is located in the SW/NE/NW of Section 22, T9S, R20E, Uintah County, Utah (Figure 1). A ten acre block centered on the staked well location (1130' FNL, 1398' FWL) was surveyed. Additional inventory was performed for a 100 foot wide and 300 foot long corridor outside the ten acre block for the proposed pipeline. No additional inventory was necessary for the access. Access will be from an existing road that crosses through the northern half of the current inventory block and connects to well CIGE 2-22. Two isolated finds were recorded during this inventory. The total acreage surveyed was approximately 10.7 acres.

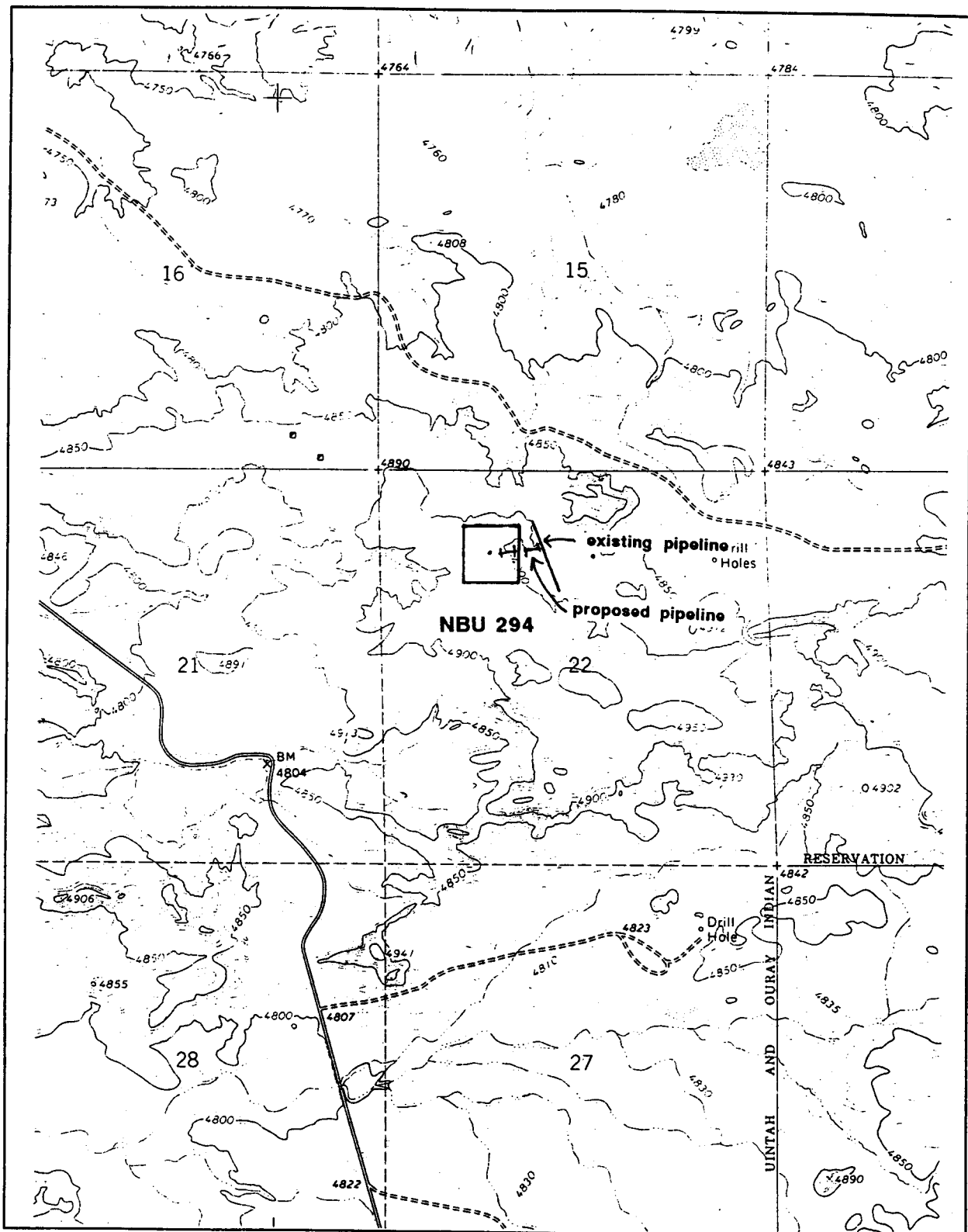
This project is located on property administered by the Ute Indian Tribe, Uintah and Ouray Agency, Fort Duchesne. The survey was conducted on April 30, 1997, by MAC archaeologists John M. Scott and Dulaney Barclay under an access permit issued by the Ute Indian Tribe, Energy and Minerals Resources Department. Scott and Barclay were accompanied by Ute Tribal Technician Leo Tapoof. All field notes and maps are on file at the MAC office in Eagle, Colorado.

STATEMENT OF OBJECTIVES

Following the mandated policies implementing the National Historic Preservation Act (NHPA [Public Law 89-665]), as amended, this project was inventoried to locate any cultural resources within the potential area of effect. Any discovered cultural resources were to be evaluated for eligibility to the National Register of Historic Places (Register). To be eligible for the Register, the resource must retain essential aspects of integrity and meet one or more of the Criteria for Eligibility (36 CFR §60.4). For archaeological resources, eligibility is typically recommended under Criterion d, on the basis of the information potential of surface artifacts and features, and intact sub-surface cultural deposits. Historical resources may be evaluated under any of the four Criteria on the basis of information potential or significant historic associations. Under Ute Tribal policy in effect at the time of this inventory, projects that will impact cultural resources are subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.

ENVIRONMENT

The project is located in the southeastern Uinta Basin about two and a half miles south of the confluence of the White and Green Rivers and three miles west of Cottonwood Wash. This is a rugged, dissected upland area of buttes, small basins, benches, and shallowly entrenched drainages.



The well pad is located on top of a gently rolling bench with isolated rocky buttes and narrow ridges. The bench is bounded by shallow basins to the north and south. A low ridge with knobs of sandstone bedrock bounds the project area on the north. Local vegetation is semi-arid shrubland containing saltbush, spiny horsebrush, rabbitbrush, greasewood, Russian thistle, and bunch grasses. The vegetation cover varies from 10 to 40% allowing good to excellent visibility.

Deposition in the project area consists of a thin sand shadow and sand sheet deposits that overlie light gray, residual silty soils containing small, angular rock fragments. Sand shadow deposits are found on the leeward (south) side of the rocky outcroppings at the north end of the inventory block. These deposits display evidence of sheet wash with numerous small rills cut into them. Sheet sands cover the upper surfaces of the bench. Local bedrock is predominantly Upper Eocene sandstone and marlstone of the Duchesne River and Uinta Formations with some Quaternary alluvium to the northeast toward the White River (Hintze 1980).

FILES SEARCH

A files search was conducted through the Utah Division of State History and at the MAC office in Eagle, Colorado. The files indicated that three projects had been conducted within section 22, T9S, R20E. Scott (1991) inventoried the Coastal NBU #119 well in 1991 and its project area overlaps into the present project. Truesdale (1992) monitored the construction of the CIGE #119. Rood (1993) surveyed the Natural Cotton #23-22 well pad for the Enron Oil and Gas Corporation. The Natural Cotton #23-22 well pad project location is approximately 1150 meters (3373 feet) south of the present project.

FIELD METHODS

The ten acre area surrounding the well pad center stake was surveyed by a series of parallel pedestrian transects walked at approximately 15-20 meter (30-50 feet) intervals. The portion of the pipeline corridor that extends outside the ten acre survey block was inspected using zig-zag pedestrian transects on each side of the flagged centerline. Each side of the centerline received total coverage amounting to 15m (50 feet), for a total of 30m (100 feet) survey corridor width. Special attention was paid to areas of enhanced subsurface visibility, such as eroded areas, rodent backdirt piles, road cuts and animal trails.

If cultural material was located, the area was examined closely until all surface manifestations had been identified and the resource adequately defined. Appropriate site or isolated find forms and other documentation were then completed, including plotting the resource on the proper USGS quadrangle. Sketch maps were prepared using a Brunton Pocket Transit and pacing for distances. Black and white photographs were taken of all the sites.

RESULTS AND RECOMMENDATIONS

Cultural resource clearance is recommended for the project. This recommendation is subject to approval by the Uintah and Ouray Cultural Rights and Protection Department.

REFERENCES CITED

Hintze, Lehi F.

1980 *Geologic Map of Utah*. Utah Geological and Mineral Survey, Salt Lake City. UT

Rood, Ronald J.

1993 *A Cultural Resources Inventory of Enron's Natural Cotton #23-22 Well Pad and Related Access, Uintah County, Utah*. Manuscript on file at MAC office, Eagle, Colorado.

Scott, John M.

1991 *Cultural Resource Inventory for Coastal Oil and Gas NBU #119 Well Pad and Access Location on Ute Tribal Lands, Uintah County, Utah*. Report on File, MAC Office, Eagle, Colorado.

Truesdale, James A.

1992 *Monitor of Construction Activities for Coastal Oil and Gas Co. Well No. 119 On Uintah-Ouray Ute Tribal Lands, Uintah County, Utah*. Manuscript on File, MAC Office, Eagle, Colorado.

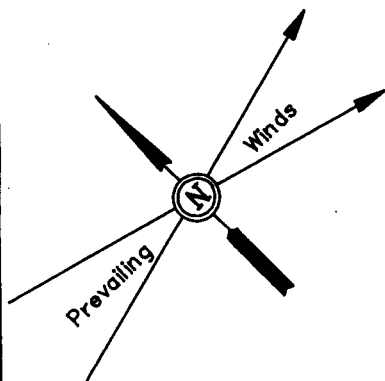
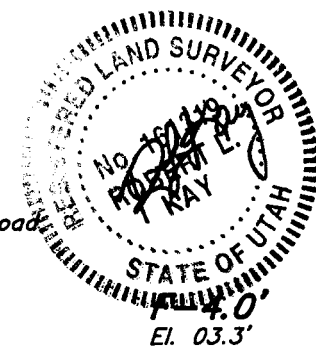
COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

NBU #294

SECTION 22, T9S, R20E, S.L.B.&M.

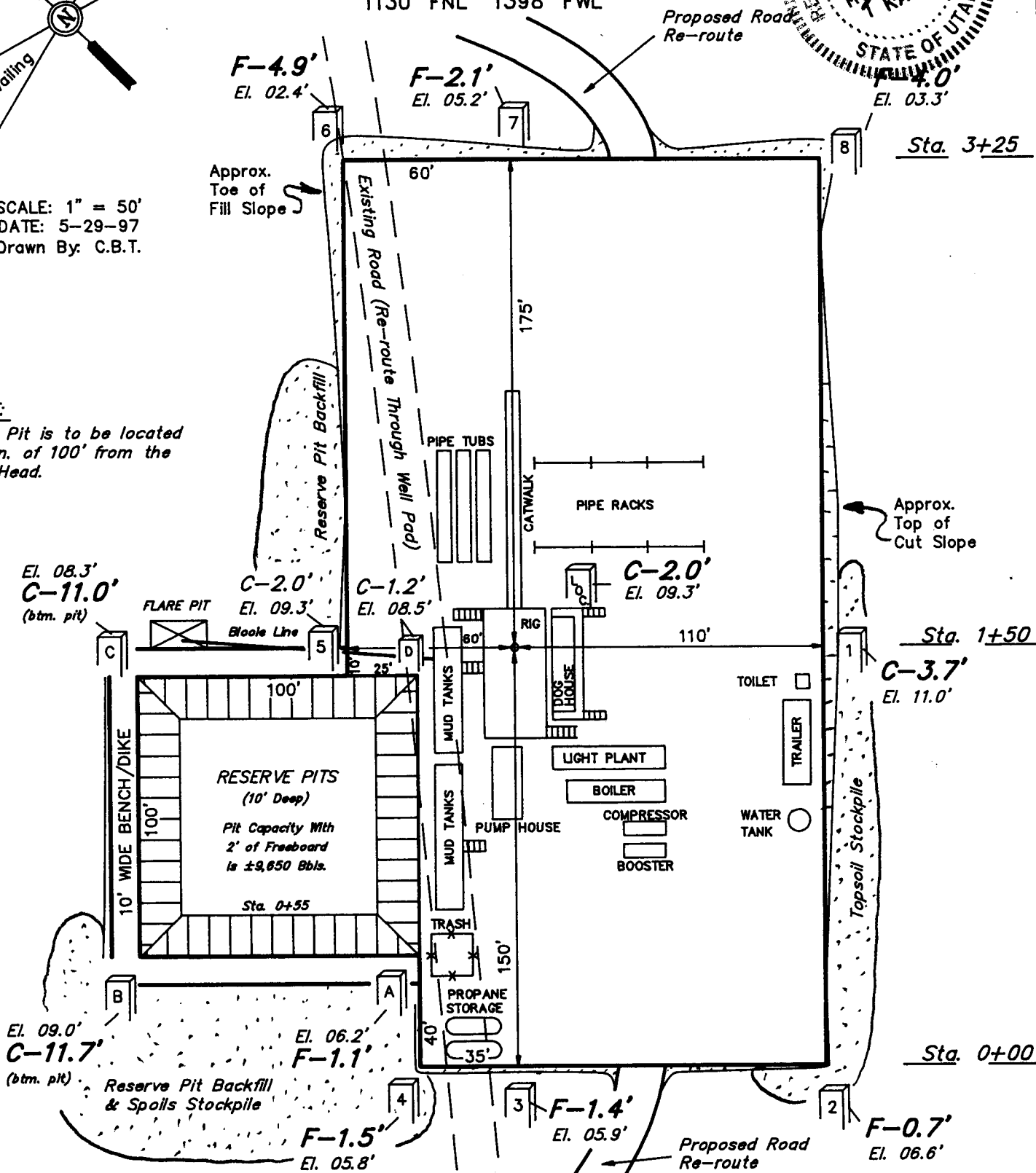
1130' FNL 1398' FWL



SCALE: 1" = 50'
DATE: 5-29-97
Drawn By: C.B.T.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4909.3'
FINISHED GRADE ELEV. AT LOC. STAKE = 4907.3'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 South 200 East Vernal, Utah

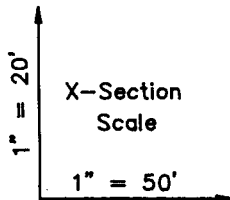
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

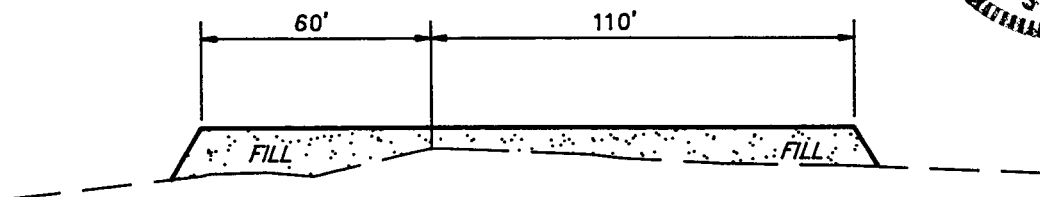
NBU #294

SECTION 22, T9S, R20E, S.L.B.&M.

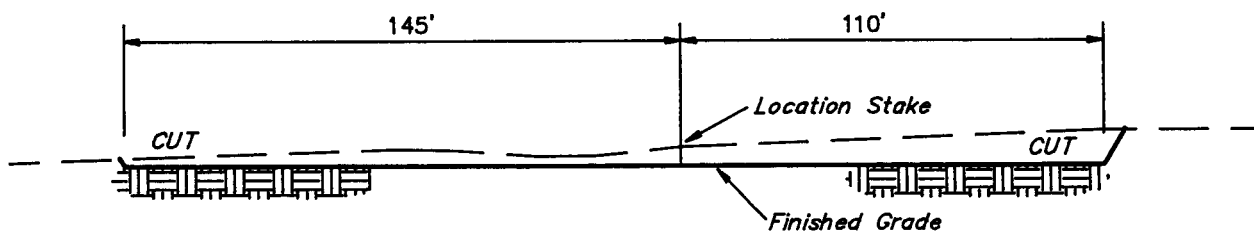
1130' FNL 1398' FWL



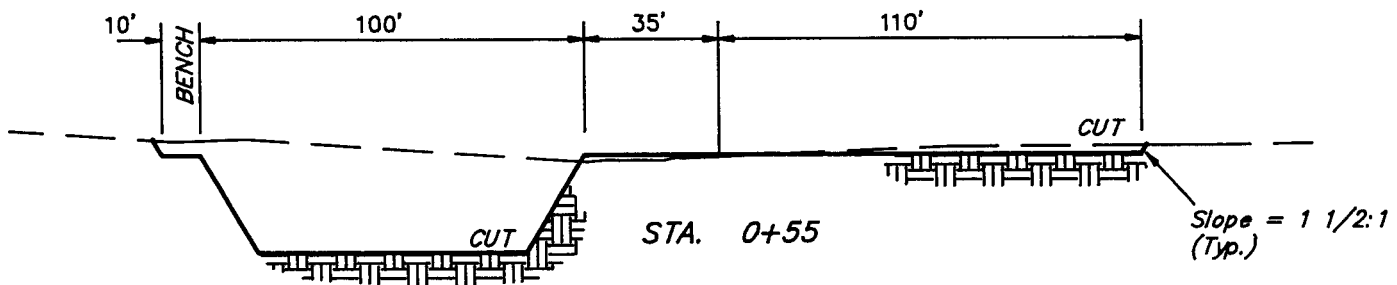
DATE: 5-29-97
Drawn By: C.B.T.



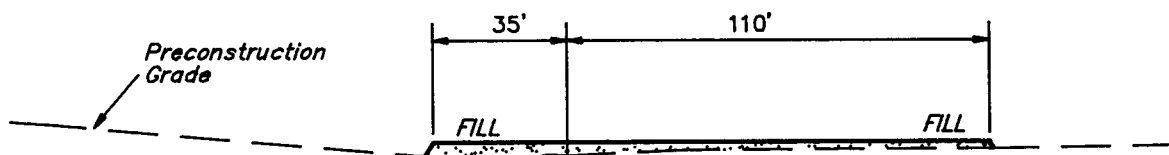
STA. 3+25



STA. 1+50



STA. 0+55



STA. 0+00

FIGURE #2

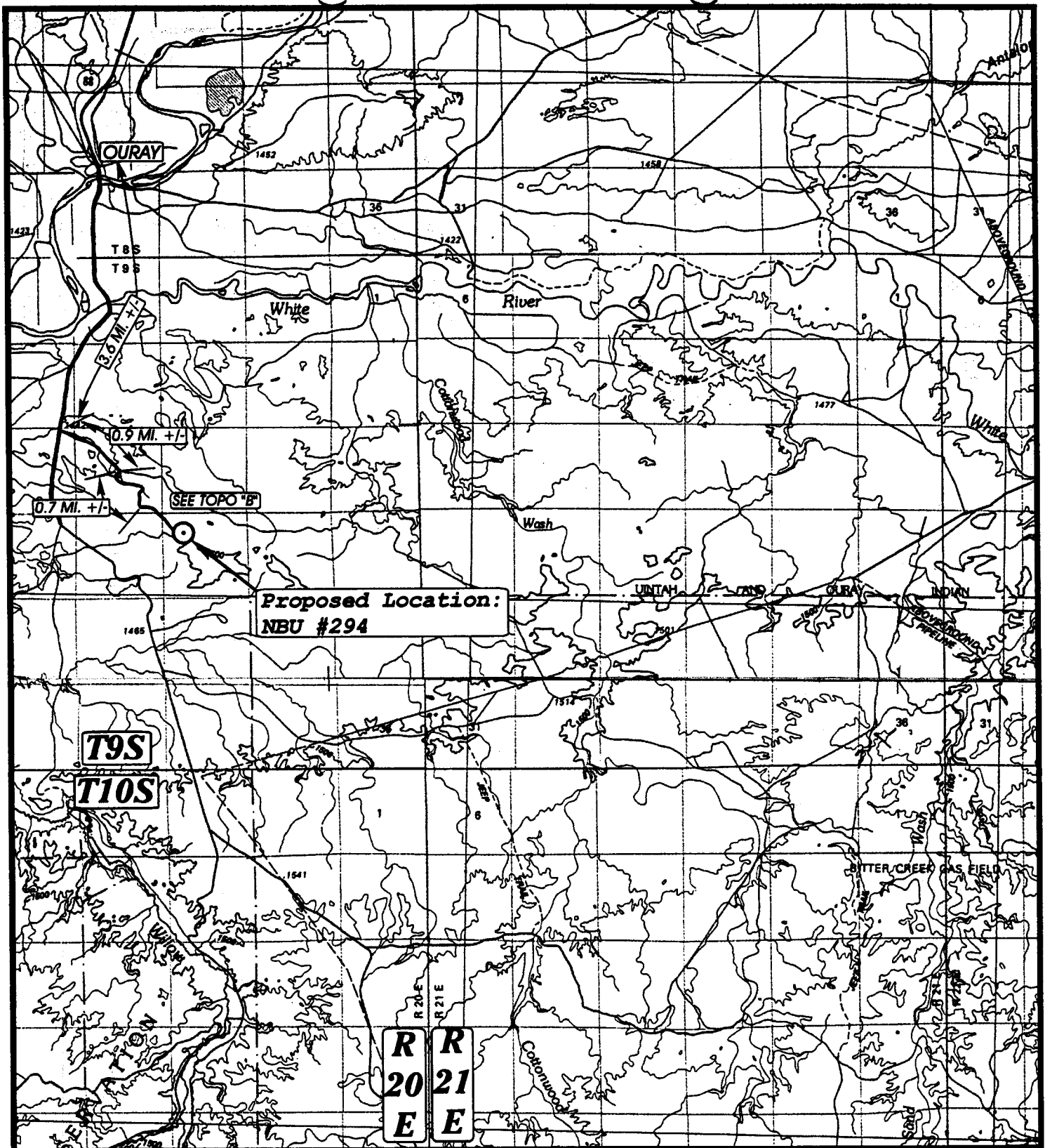
APPROXIMATE YARDAGES

| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 2,280 Cu. Yds. |
| Remaining Location | = 3,700 Cu. Yds. |
| TOTAL CUT | = 5,980 CU.YDS. |
| FILL | = 2,240 CU.YDS. |

| | |
|---|------------------|
| EXCESS MATERIAL AFTER 5% COMPACTION | = 3,620 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,620 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah



UELS

**TOPOGRAPHIC
MAP "A"**

DATE: 5-20-97
Drawn by: J.L.G.



COASTAL OIL & GAS CORP.

**NBU #294
SECTION 22, T9S, R20E, S.L.B.&M.
1130' FNL 1398' FWL**

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85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

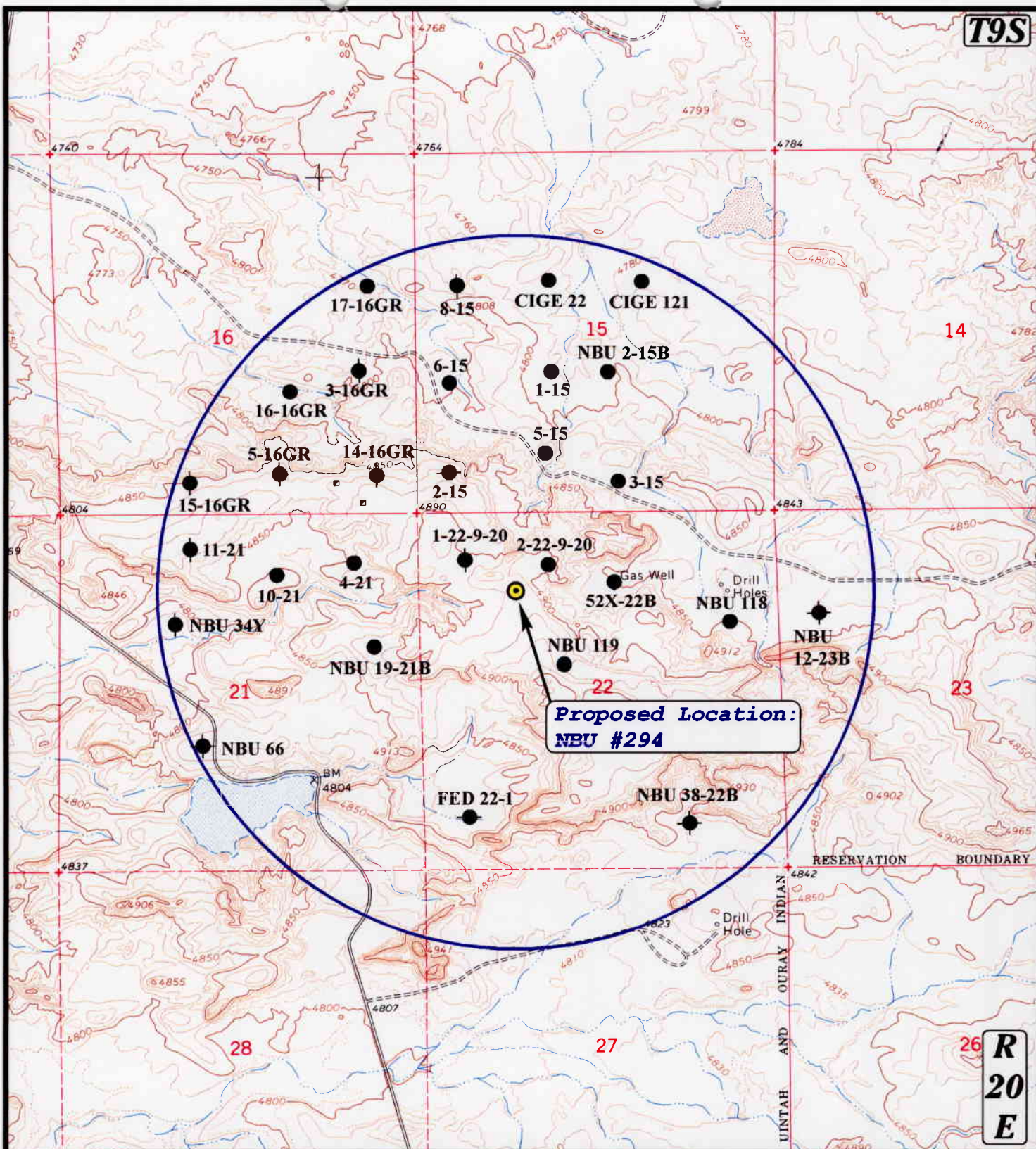


DATE: 5-20-97
Drawn by: J.L.G.

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NBU #294
SECTION 22, T9S, R20E, S.L.B.&M.
1130' FNL 1398' FWL

SCALE: 1" = 2000'



LEGEND:

WELLS

- Water Wells
- Abandoned Wells
- Temporarily Abandoned Wells
- Disposal Wells
- Drilling Wells
- Producing Wells
- Shut-in Wells



SCALE: 1" = 2000'

COASTAL OIL & GAS

NBU #294

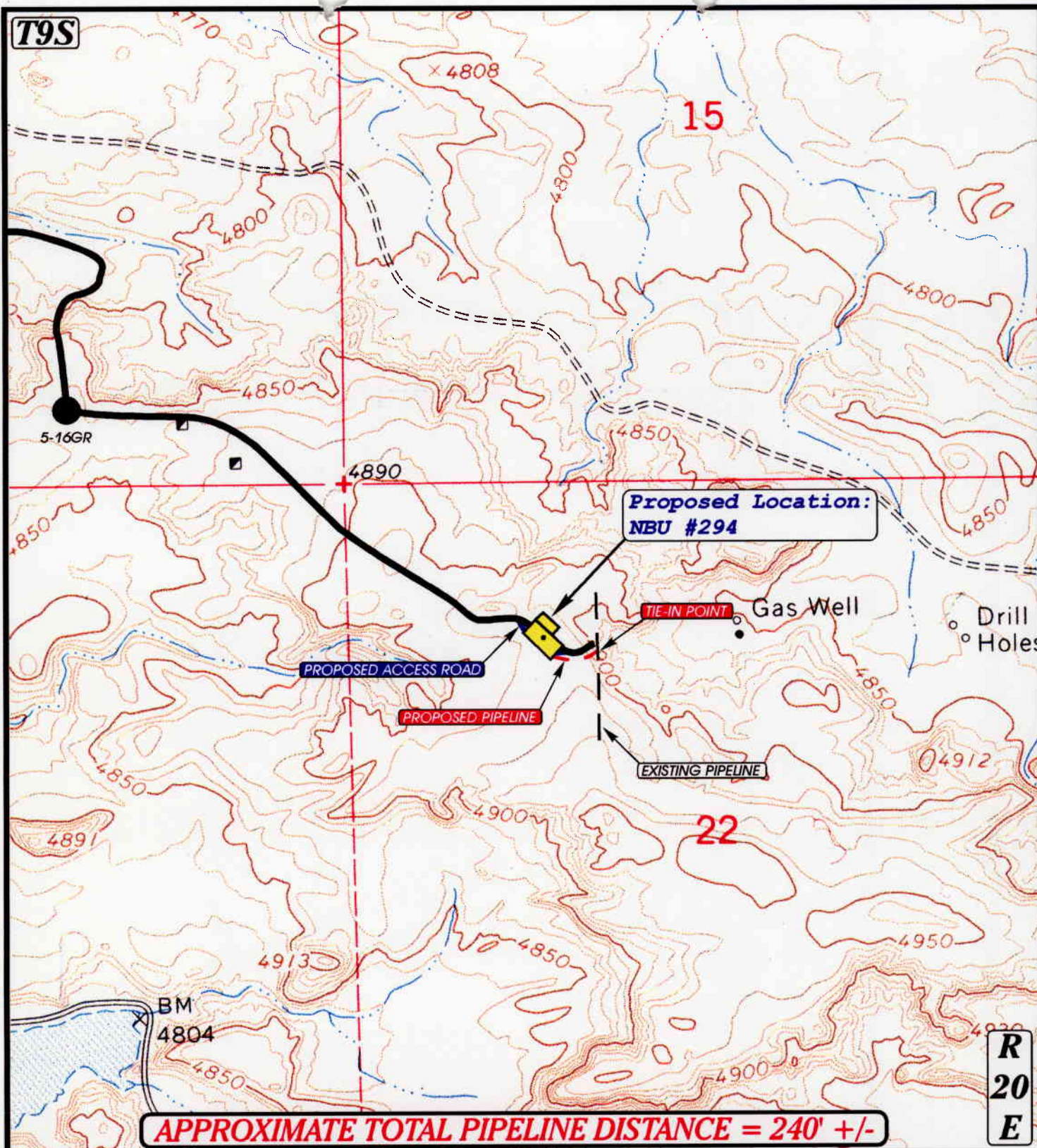
SECTION 22, T9S, R20E, S.L.B.&M.
TOPOGRAPHIC MAP "C"

DATE: 5-20-97

Drawn by: J.L.G.

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 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

T9S



UEIS

TOPOGRAPHIC
MAP "D"

--- Existing Pipeline
- - - Proposed Pipeline



SCALE: 1" = 1000'

COASTAL OIL & GAS

NBU #294
SECTION 22, T9S, R20E, S.L.B.&M.

DATE: 5-20-97
Drawn by: J.L.G.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/08/97

API NO. ASSIGNED: 43-047-33020

WELL NAME: NBU 294
OPERATOR: COASTAL OIL & GAS (N0230)

PROPOSED LOCATION:

NEW 22 - T09S - R20E
SURFACE: 1130-FNL-1398-FWL
BOTTOM: 1130-FNL-1398-FWL
UINTAH COUNTY
NATURAL BUTTES FIELD (630)

LEASE TYPE: FED
LEASE NUMBER: U - 0577B

PROPOSED PRODUCING FORMATION: WSTC

INSPECT LOCATION BY: / /

| TECH REVIEW | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☒ State ☐ Fee ☐
(Number 114066-A)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: NATURAL BUTTES
____ R649-3-2. General.
____ R649-3-3. Exception.
____ Drilling Unit.
____ Board Cause no: _____
____ Date: _____

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



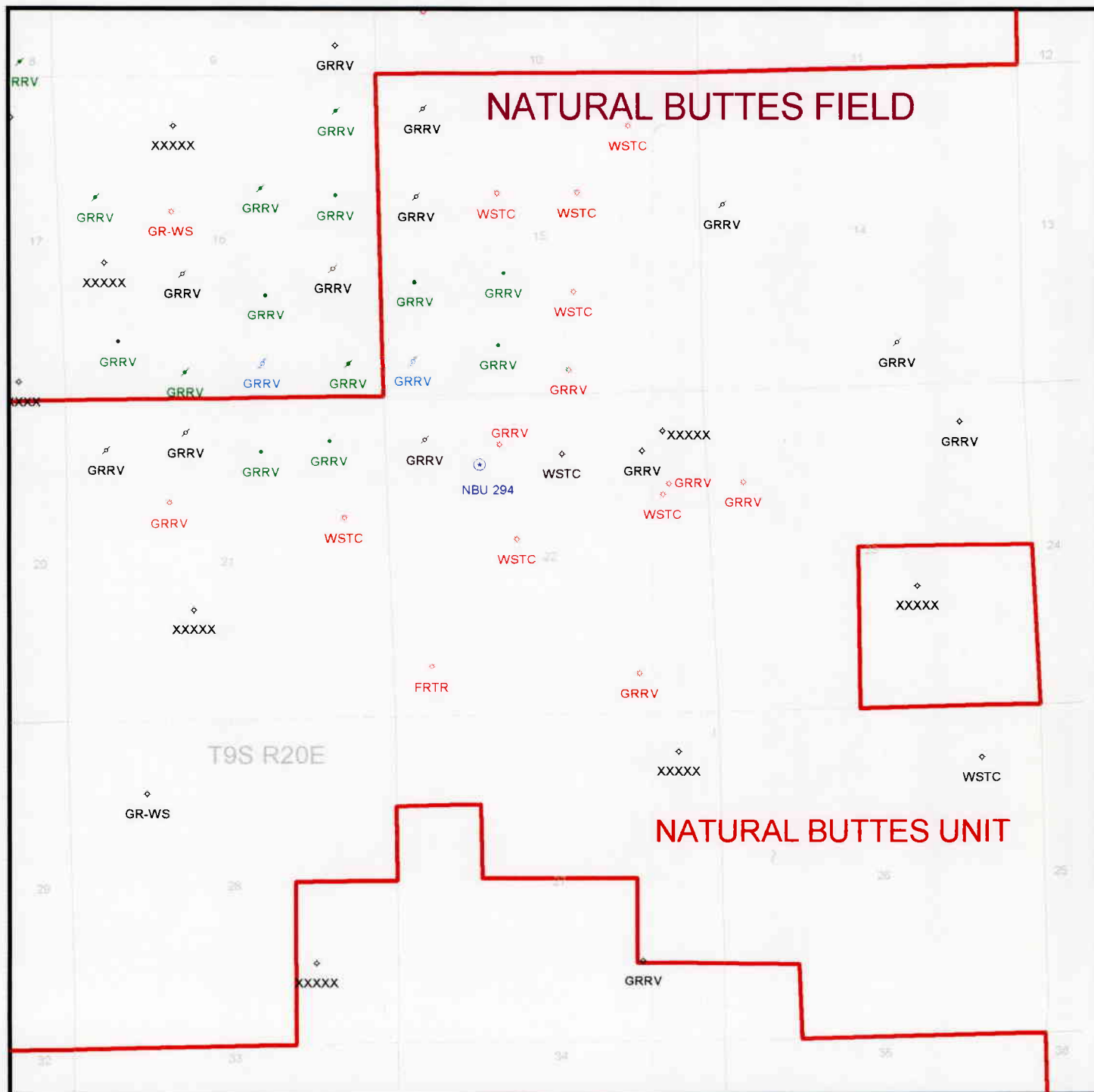
DIVISION OF OIL, GAS & MINING

OPERATOR: COASTAL OIL & GAS (N0230)

FIELD: NATURAL BUTTES (630)

SEC. TWP. RNG.: SEC. 22, T9S, R20E

COUNTY: UINTAH UAC: R649--2-3 NATURAL BUTTES



DATE PREPARED:
12-DEC-1997



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

May 12, 1998

Coastal Oil & Gas Corporation
P.O. Box 749
Denver, Colorado 80201-0749

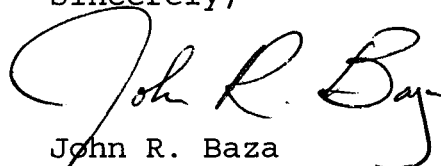
Re: NBU 294 Well, 1130' FNL, 1398' FWL, NE NW, Sec. 22,
T. 9 S., R. 20 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33020.

Sincerely,


John R. Baza
Associate Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: Coastal Oil & Gas Corporation
Well Name & Number: NBU 294
API Number: 43-047-33020
Lease: U-0577-B
Location: NE NW Sec. 22 T. 9 S. R. 20 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours prior to spudding the well or commencing drilling operations. Contact Jim Thompson at (801) 538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Dan Jarvis at (801) 538-5338 or Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supercede the required federal approval which must be obtained prior to drilling.

5. In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rule R649-3-31 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the 4½" casing is cemented over the entire oil shale section as defined by Rule R649-3-31 (approximately 2,219' to 2,307' G.L.).

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

✓✓✓ FEB 20, 2001, LPS, M. JEL, W-1-DK, 14, DLE, JAO,
TWH, HQM, RJC
FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT" - for such proposals

5. Lease Description and Serial No.

Various

6. If Indian, Ahtise or Tribe Name
Ute Tribe

7. If Unit of CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

To be determined

9. API Well No.

To be determined

10. Field and Pool, Or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

☐

Oil Well

☐

Gas Well

☒

Other

Natural Buttes Field

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

Future wells in Natural Buttes Unit

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒

Notice of Intent

☐

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒

Other Standard Operating Procedure

☐

Change of Plans

☐

New Construction

☐

Non-Routine Fracturing

☐

Water Shut-Off

☐

Conversion to Injection

☐

Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log sum.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

The operator requests permission to use the attached Standard Operating Procedure to describe the drilling program and surface use plan for future wells in the Natural Buttes Unit. The information contained herein will be supplemented by site-specific information necessary to complete the APD application on a well-by-well basis.

The described procedures include materials in addition to that previously sent on 5/20/97.

RECEIVED
MAY 30 1997

14. I hereby certify that the foregoing is true and correct

Signed

Bonnie Carson

TW

Senior Environmental Analyst

Date

05/29/97

(This space for Federal or State office use)

Assistant Field Manager

Mineral Resources

APPROVED BY

Edwin J. Sosman

TW

Date

JUN 03 1997

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

OPERATOR

| WELL | Reg'd T.O.C. AND T.O.S.* (G.L.) | THK** | REQUIRED CEMENT INTERVAL (G.L.) BOS OR TOS |
|---------|--|-------|--|
| | | | |
| CIG-231 | 2,092' | 108' | 1,984' to 2,092' |
| CIG-233 | 2,421' | 106' | 2,315 to 2,421' |
| CIG-208 | 3,017' | 82' | 2,935 to 3,017' |
| NBU-300 | 2,603' | 104' | 2,499 to 2,603' |
| NBU-307 | 2,588' | 98' | 2,490 to 2,588' |
| NBU-308 | 2,603' | 96' | 2,507 to 2,603' |
| NBU-294 | 2,307 | 88' | 2,219 to 2,307' |

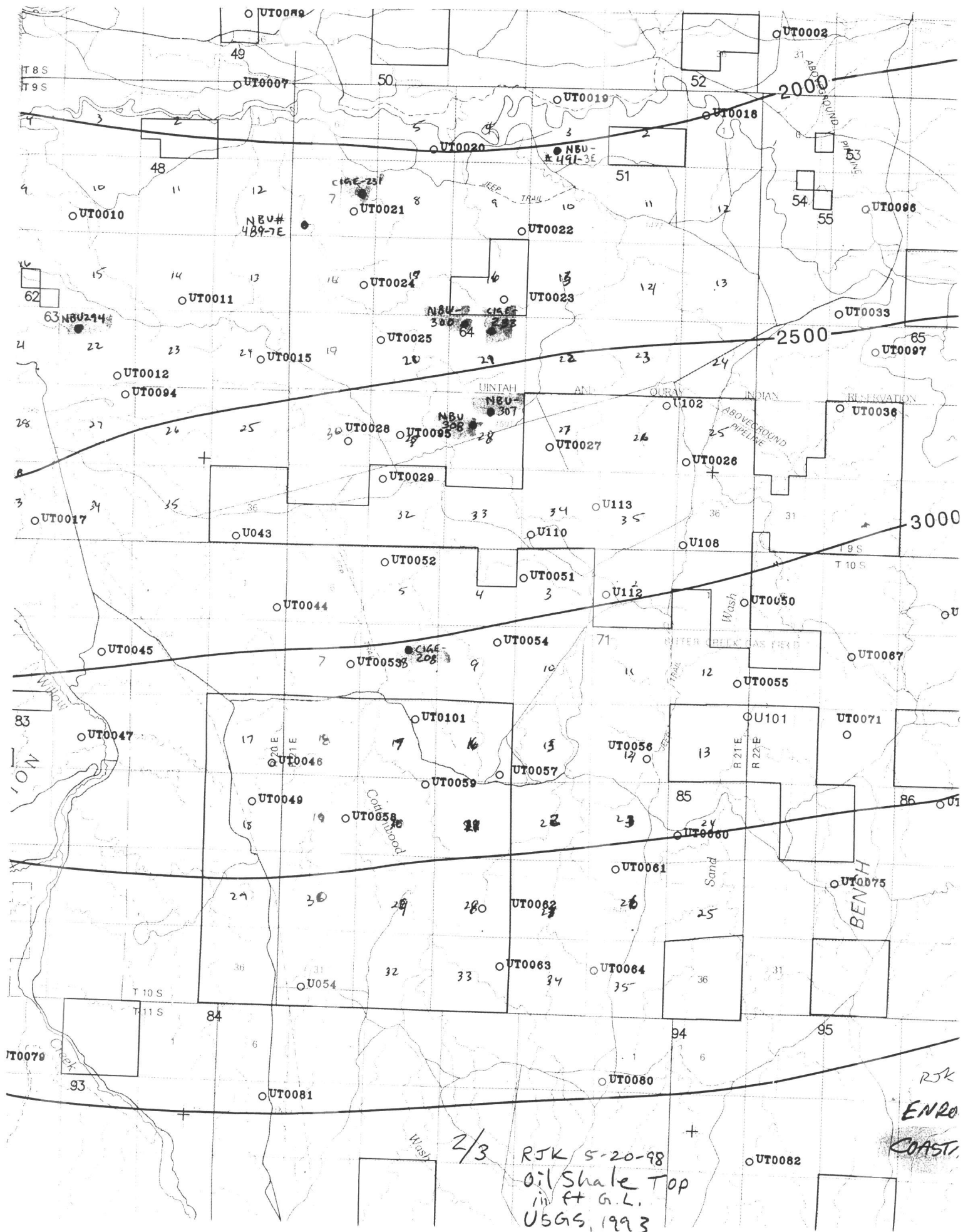
* From USGS Mahogany Oil Shale Study Plate 2, 1993

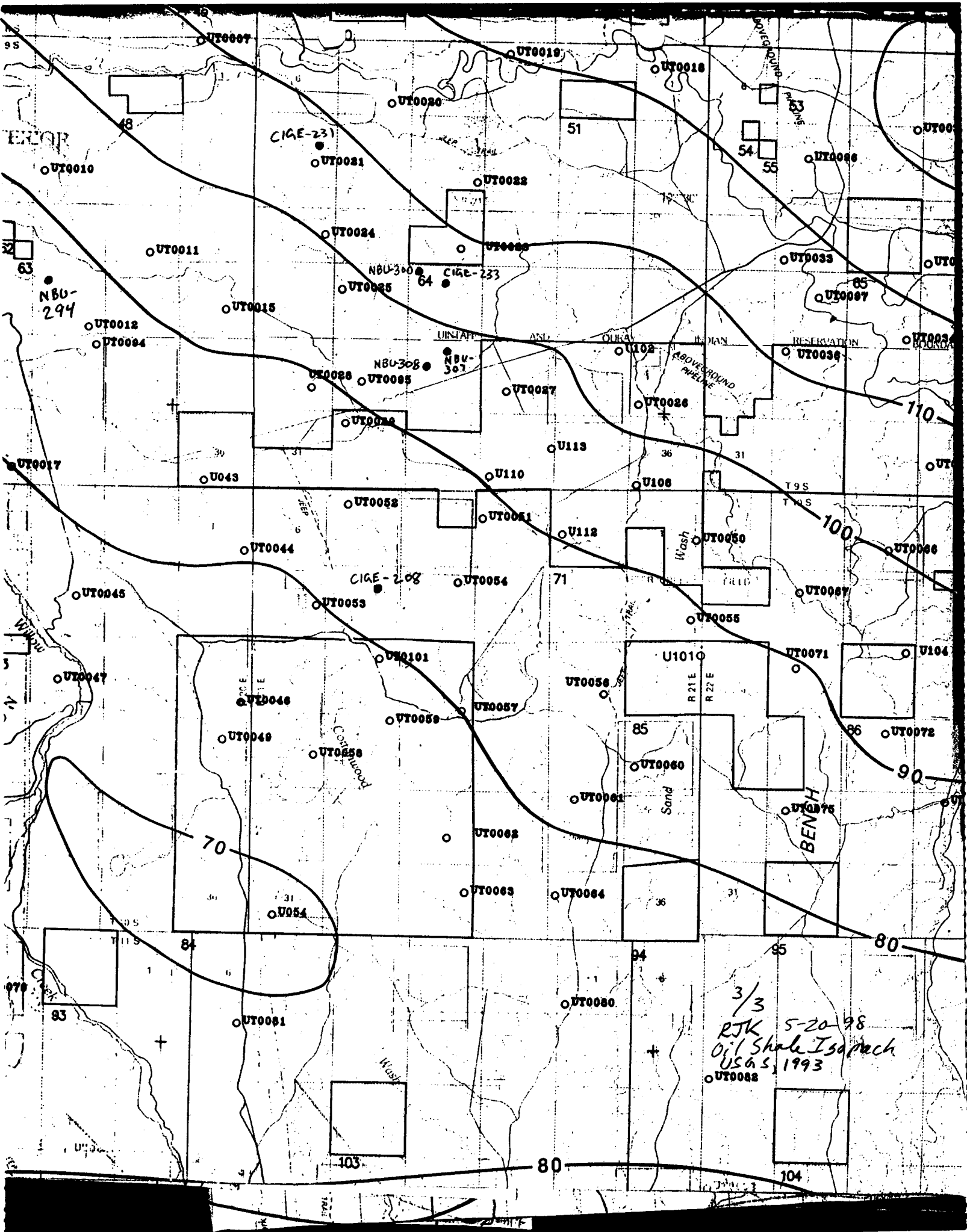
** " " " " " " " 3, 1993

Two options for oil shale wells above are:

(A) Pump cement for primary cement on production casing (per SOP) to T.O.S. for top. OR

(B) Add an intermediate casing string to bottom of shale (B.O.S, variance from SOP) & cement per above intervals





UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

303 573 4417 1998-05-20 07:54 #328 P.24/26
BLL, SAB, TUM, RBL FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT" - for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Natural Buttes Field

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

Future wells in Natural Buttes Unit

RECEIVED

SEP 02 1997

5. Lease Designation and Serial No.

Various

6. If Indian, Alutian or Tribe Name

Ute Tribe

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

To be determined

9. API Well No.

To be determined

10. Field and Pool, Or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Standard Operating Procedure
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

The Operator requests permission to amend the Standard Operating Procedure currently in use for newly drilled wells in the Natural Buttes Unit with the additions/changes described in the attachment.

14. I hereby certify that the foregoing is true and correct

Signed

Bonnie Carson

Senior Environmental Analyst

Date

08/29/97

(This space for Federal or State office use)

APPROVED BY

Assistant Field Manager

This

Mineral Resources

Date

SEP 22 1997

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

OPERATOR

COASTAL OIL & GAS CORPORATION

NATURAL BUTTES UNIT

Uintah County, Utah

STANDARD OPERATING PRACTICES

DRILLING PROGRAM

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders No. 1 and No. 2, and the approved Plan of Operations. The Operator is fully responsible for the actions of its subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

BLM Notification Requirements

- | | |
|--------------------------------|--|
| Location Construction: | 48 hours prior to construction of location and access roads including, if applicable, the Ute Tribe Energy and Mineral Department. |
| Location Completion: | Prior to moving the drilling rig. |
| Spud Notice: | At least 24 hours prior to spudding the well. |
| Casing String & Cementing: | 24 hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests: | 24 hours prior to initiating pressure tests. |
| First Production Notice: | Within 5 days after new well begins or production resumes after well has been off production for more than 90 days. |

Details of the on-site inspection, including date, time, weather conditions, and individuals present, will be submitted with the site specific APD.

1. Estimated Tops of Important Geologic Markers:

Formations and depths will be submitted with the site specific APD.

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

Formations and depths will be submitted with the site specific APD.

All usable (<10,000 ppm TDS) water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential. This information shall be reported to the Vernal Office.

Report all water shows and water bearing geologic units to the geologic/engineering staff of the Vernal Office prior to running the next string of casing or before plugging orders are requested. Usage of the State of Utah form Report of Water Encountered is acceptable, but not required.

NBU Field SOPs**Drilling Program****Page 2**

All water shows must be reported within 1 (one) business day after being encountered.

Detected water flows shall be sampled, analyzed, and reported to the geologic/engineering staff of the Vernal Office. The office may request additional water samples for further analysis.

The following information is requested for water shows and samples where applicable:

| | |
|--|---|
| Location | Date Sampled |
| Sampled Interval | Temperature |
| Hardness | pH |
| Flow Rate | |
| Water Classification (according to State of Utah) | |
| Dissolved Iron (Fe) (ug/l) | Dissolved Calcium (Ca) (mg/l) |
| Dissolved Magnesium (Mg) (mg/l) | Dissolved Sodium (Na) (mg/l) |
| Dissolved Bicarbonate (NaHCO ₃) (mg/l) | Dissolved Carbonate (CO ₃) (mg/l) |
| Dissolved Sulfate ((SO ₄) (mg/l) | Dissolved Chloride (Cl) (mg/l) |
| Dissolved Total Solids (TDS) (mg/l) | |

3. **Pressure Control Equipment:** (Schematic Attached)

Coastal Oil & Gas Corporation's minimum specifications for pressure control equipment are as follows:

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M system when the well is drilled to the base of the Wasatch Formation, and for a 3M system when the anticipated target formation is the Mesaverde Formation, and individual components shall be operable as designed. Chart recorders will be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

All required BOP tests and/or drills shall be recorded in the IADC report.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2 regarding air or gas drilling shall be adhered to. If a mist system is being utilized, the requirement for a deduster shall be waived.

4. **Proposed Casing and Cementing Program:**

a. The proposed Casing Program will be as follows:

| <u>Purpose</u> | <u>Depth</u> | <u>Hole Size</u> | <u>Csg Size</u> | <u>Wt/ft</u> | <u>Grade</u> | <u>Type</u> |
|----------------|--------------|------------------|-----------------|--------------|--------------|-------------|
| Surface | 0-250' | 11" or 12-1/4" | 8-5/8" | 24# | K-55 | ST&C |
| Production | 0-TD | 7-7/8" | 4-1/2" | 11.6# | N-80 | LT&C |

NBU Field SOPs

Drilling Program

Page 3

If drive pipe is used, it may be left in place if its total length is less than twenty feet below the surface. If the total length of the drive pipe is equal to or greater than twenty feet, it will be pulled prior to cementing surface casing, or it will be cemented in place.

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including: presence/absence of hydrocarbons, fracture gradients, usable water zones, formation pressures, lost circulation zones, other minerals, or other unusual characteristics.

All casing, except conductor casing, shall be new or reconditioned and tested. Used casing shall meet or exceed API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing. ~~If drive pipe is used, it will be pulled prior to cementing surface casing.~~ *Replaced with*

As a minimum, usable water zones shall be isolated and/or protected by having a cement top for the production casing at least 200 feet above the base of the usable water. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc., shall be utilized to help isolate the cement from contamination by the mud being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or to 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action shall be taken.

Casing design subject to revision based on geologic conditions encountered.

b. The Cement Program will be as follows:

| <u>Surface</u> | <u>Fill</u> | <u>Type & Amount</u> |
|----------------|-------------|---|
| 0-250' | 250' | A minimum of 85 sx Class "G" + 2% CaCl ₂ , 15.6 ppg, 1.19 cf/sx (Cement will be circulated to surface, about 25% excess) |

NBU Field SOPs**Drilling Program****Page 4****Production****Type & Amount**

500' above productive interval-surface

Lead: Extended, Lite, or Hi-Fill cement + additives, 11 or 12 ppg, 2.69 cf/sx

TD-500' above productive interval

Tail: Extended Class "G" or 50:50 Poz + additives, 14 ppg ; or RFC, 14.0-14.5 ppg, 1.57 cf/sx

For production casing, actual cement volumes will be determined from the caliper log plus 10 - 15% excess.

For surface casing, waiting on cement time will be adequate to achieve 500 psi compressive strength at the casing shoe prior to drilling out.

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The Vernal District BLM Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

After cementing the surface pipe and/or any intermediate strings, but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the Driller's Log.

- c. The following reports shall be filed with the District Manager within 30 days after the work is completed:

Progress reports, Form 3160-5, "Sundry Notices and Reports on Wells," must include the following information:

Setting of each string of casing showing the size, grade, weight of casing set, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of the cementing tools used, casing test method and results, and the date of the work done. Spud date will be shown on the first reports submitted.

- d. Auxiliary well control equipment to be used as follows:

1. Kelly cock.
2. A bit float is not deemed necessary.
3. A sub with a full opening (TIW) valve having threads compatible with drill string tubulars.

NBU Field SOPsDrilling Program

Page 5

5. Drilling Fluids Program:a. *Wasatch wells:*

| <u>Interval</u> | <u>Type</u> | <u>Mud Weight</u> |
|-----------------|--|-------------------|
| 0'-TD | Air/Air Mist/Aerated Water/Water (as hole conditions warrant). Displace hole to 10 ppg brine mud prior to logging. | 8.4 ppg or less |

Mesaverde wells:

| <u>Interval</u> | <u>Type</u> | <u>Mud Weight</u> |
|-----------------|--|-------------------|
| 0'-TD | Air/Air Mist/Aerated Water/Water (as hole conditions warrant). Depending on hole conditions, the hole will be displaced to either 10 ppg brine or drilling mud prior to logging. If hole conditions warrant, a mud system will be used. | 8.4 ppg or less |

- b. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- c. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

6. Evaluation Program:a. Logging Program:

| | |
|-------------------|-------------------------------|
| DLL/CALIPER: | TD to base of surface casing. |
| FDC/CNL/GR: | TD - 2,500' |
| Drill Stem Tests: | As deemed necessary. |
| Cores: | As deemed necessary. |

When cement has not been circulated to surface, the cement top will be determined by either a temperature survey or cement bond log. Should a temperature survey fail to locate the cement top, a cement bond log will be run. A field copy will be submitted to the Vernal BLM office.

The Evaluation Program may change at the discretion of the well site geologist with approval by the Authorized Officer.

When utilized, mud or Lithology logs will be submitted to the Vernal BLM Office.

Drill stem tests, if they are run, will adhere to the following requirements:

Initial opening of the drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the Authorized Officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the Authorized Officer. Closed chamber DST's may be performed day or night.

Some means of reverse circulation shall be provided in case of flow to the surface showing evidence of hydrocarbons.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

If a drill stem test is performed, all engines within 100 feet of the wellbore that are required to be operational during the test shall have spark arresters or water-cooled exhausts.

Daily drilling reports shall be submitted to the Vernal District BLM office after drilling operations are completed for each well, and daily completion records shall be submitted with the completion report for each well.

- b. Whether the well is completed as a dry hole or a producer, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. One copy of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer.

7. **Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No hydrogen sulfide has been encountered or is known to exist from previous drilling in the area at this depth. Maximum anticipated bottomhole pressure will approximately equal total depth in feet multiplied by a 0.4 psi/foot gradient, and maximum anticipated surface pressure will be approximately equal to bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot. These pressures will be expressed in psi in each site specific APD.

8. Anticipated Starting Dates and Notification of Operations:

a. Drilling Activity

| | |
|--------------------------------|---|
| Anticipated Commencement Date: | Upon approval of the site specific APD. |
| Drilling Days: | Approximately 10 days. |
| Completion Days: | Approximately 7 days. |

b. Notification of Operations

The Vernal District BLM office will be notified at least 24 hours prior to the commencement of spudding the well (to be followed with a Sundry Notice, Form 3160-5), of initiating pressure tests of the blowout preventer and related equipment, and running casing and cementing of all casing strings. Notification will be made during regular work hours (7:45 a.m.-4:30 p.m., Monday - Friday except holidays).

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in suspended status without prior approval from the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

A completion rig will be used for completion operations. All conditions of this approved plan will be applicable during all operations conducted with the completion rig.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

Operator shall report production data to the MMS pursuant to 30 CFR 216.5 using form MMS/3160. In accordance with Onshore Oil and Gas Order No.1, a well will be reported on form 3160-6, "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first; and for gas wells, as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated, or the date on which gas is measured through permanent metering facilities, whichever occurs first.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by written communication not later than 5 days following the date when the well is placed on production.

Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During this period, an application for approval of the permanent disposal method must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during the initial well evaluation tests, not to exceed 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received for any venting/flaring of gas beyond the initial 30 days or authorized test period.

A schematic facilities diagram, as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the District Office within 60 days of installation or first production, whichever occurs first. All site security regulations, as specified in Onshore Oil & Gas Order No. 3, shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).

Well abandonment operations shall not be commenced without the prior approval of the Authorized Officer. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer. A "Subsequent Report of Abandonment," Form 3160-5, will be filed with the Authorized Officer within 30 days following completion of the well for abandonment. This report will indicate placement of the plugs and current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate surface managing agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with the State and local laws, to the extent to which they are applicable, to operations on Federal or Indian lands.

9. Variances

The Operator requests approval to perform drilling operations without an automatic ignitor because drilling will be performed with an air/mist medium.

The Operator requests that the requirement for a deduster be waived if a mist system is utilized.

The Operator requests a variance from a straight-run blooie line.

10. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Authorized Officer.

NBU Field SOPs**Drilling Program****Page 9**

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted following initial installation and at least quarterly thereafter. The Authorized Officer will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

Deviations from the proposed drilling and/or workover program shall be approved by the Authorized Officer. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102 (b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the Authorized Officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

APD approval is valid for a period of one year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approval or notification is necessary, one of the following individuals will be contacted:

Wayne Bankert (801) 789-4170
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

COASTAL OIL & GAS CORPORATION
600 17TH STREET, SUITE 800S
DENVER, COLORADO 80201

DATE: _____

FACSIMILE TRANSMITTAL PAGE

THIS TRANSMISSION CONSISTS OF 25 PAGES (INCLUDING COVER)TO: Bob WagnerCOMPANY/FIRM: State of Utah DOGM

CITY/STATE: _____

FAX #: (801) 359-3940 CONFIRMATION #: _____FROM: Sheila BremerTELEPHONE #: (303) 573-4455

INSTRUCTIONS: _____

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IF YOU HAVE ANY TROUBLE RECEIVING THE ABOVE SPECIFIED PAGES, PLEASE NOTIFY SENDER.

COASTAL OIL & GAS CORPORATION
NATURAL BUTTES UNIT
Uintah County, Utah
STANDARD OPERATING PROCEDURES

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

The location of a particular well location will be shown on maps and described in the site specific APD.

Improvements to existing access roads will be noted in the site specific APD.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Descriptions of the access road will be included in site specific APD.

New access roads on BLM surface will be crowned (2 to 3%), ditched, and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely. On Ute Tribal, private, and/or state surface, access roads will be constructed according to the surface owner's specifications. These specifications or ROWs will be attached to the APD. Where deep cuts are required for road construction, or where intersections or sharp curves occur, or when approval is issued by the Authorized Officer, the road may be wider than 18 feet to accommodate larger equipment. Appropriate water control will be installed to control erosion.

Unless specified in the site specific APD, the following specifications will apply:

- No pipelines will be crossed with the new construction.
- The maximum grade will be less than 8%.
- There will be no turnouts.
- There will be no major cut and fills, culverts, or bridges. If it becomes necessary to install a culvert at some time after approval of the APD, the BLM will be notified of the installation via sundry.
- The access road will be centerline flagged during time of staking.
- There will be no gates, cattle guards, fence cuts, or modifications to existing facilities.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Access roads and surface disturbing activities will conform to standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, 1989.

The road surface and shoulders will be kept in a safe and usable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing and will be maintained according to original construction standards. The access road right-of-way will be kept free of trash during operations. All traffic will be confined to the approved right-of-way. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow should be pushed outside of the burrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

3. Location of Existing Wells Within a 1-Mile Radius:

A map will be provided with the site specific APD showing the location of existing wells within a one mile radius.

4. Location of Existing and Proposed Facilities:

The following guidelines will apply if the well is productive.

- A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut. The specific APD will address additional capacity if such is needed due to environmental concerns. (The use of topsoil for the construction of dikes will not be allowed.)
- All permanent (on site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earhtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Brown, Munsell standard color number 10 YR 6/3.
- A description of the proposed pipeline and a map will be included with the site specific APD.

5. Location and Type of Water Supply:

Unless otherwise specified in the site specific APD, water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Section 32-T4S-R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on maps included with the site specific APD.

6. Source of Construction Materials:

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2-3.

No construction materials will be removed from Federal/Indian lands without prior approval from the appropriate surface management agency.

7. Methods of Handling Waste Materials:

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be used at the next drill site or will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

Unless specified in the site specific APD, the reserve pit will be constructed on the location and will not be located within natural drainages, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

If it is determined at the onsite inspection that a pit liner is necessary, the reserve pit will be lined with a synthetic reinforced liner a minimum of 10 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. Trash or scrap that could puncture the liner will not be disposed of in the pit.

Reserve pit leaks are considered an undesirable event and will be orally reported to the Authorized Officer.

After first production, produced wastewater will be confined to the approved pit or storage tank for a period not to exceed 90 days. During the 90 day period, in accordance with Onshore Order # 7, an application for approval of a permanent disposal method and location will be submitted for the Authorized Officer's approval.

On BIA administered lands, production fluids will be contained in leak-proof tanks. All production fluids will be disposed of at approved disposal sites. Produced water, oil, and other byproducts will not be applied to roads or well pads for control of dust or weeds. The indiscriminate dumping of produced fluids on roads, well sites, or other areas will not be allowed.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. Trash will not be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completing of wells within the NBU. Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of wells within the NBU. Specific APDs shall address any modifications from this policy.

8. **Ancillary Facilities:**

Coastal proposes to use the NBU #25 location as a camp to be used by drilling personnel. This camp was approved by Sundry Notice by the Vernal District BLM office on 3/18/97.

9. **Well Site Layout:**

A Location Layout Diagram describing drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s) will be included with the site specific APD.

The diagram will describe rig orientation, parking areas, and access roads, as well as the location of the following:

- The reserve pit.
- The stockpiled topsoil (first six inches), which shall not be used for facility berms. All brush removed from the well pad during construction will be stockpiled with the topsoil.
- The flare pit, which will be located downwind from the prevailing wind direction.
- Access road.

All pits will be fenced according to the following minimum standards:

- 39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.
- All wire shall be stretched using a stretching device before it is attached to corner posts.
- The reserve pit fencing will be on two sides during drilling operations, and on the third fourth sides when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

Producing Location:

- Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.
- If a synthetic, nylon reinforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit. Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled.
- Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting. This will be completed by backfilling and crowning the pit to prevent water from standing.

Dry Hole/Abandoned Location:

- On lands administered by the BLM, abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these

conditions may include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and the re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

The Authorized Officer of the appropriate surface management agency shall be contacted for the required seed mixture. Seed will be drilled on the contour to an appropriate depth.

11. **Surface Ownership:**

The ownership of the access roads will be specified on the site specific APD.

The ownership of well pad will be specified on the site specific APD.

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along right-of-ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides or other pesticides or possibly hazardous chemicals.

Drilling rigs and/or equipment used during drilling operations on this location will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. If BLM authorization is obtained, such storage is only a temporary measure.

Unless previously conducted, a Class III archeological survey will be conducted on all Federal and/or Tribal lands. All personnel will refrain from collecting artifacts and from disturbing any significant cultural resources in the area. The Operator is responsible for informing all persons in the area who are associated with this project that they may be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in the archaeological report, and to the existing roadways and/or evaluated access routes. If historic or archaeological materials are uncovered during construction, the Operator is to immediately stop work that might further disturb such materials and contact the Authorized Officer and the Ute Tribe Energy and Mineral Department. Within five working days, the Authorized Officer will inform the Operator as to:

- whether the materials appear eligible for the National Historic Register of Historic Places;

- the mitigation measures the Operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the Operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise the Operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the Operator will then be allowed to resume construction.

On surface administered by the BIA, all Surface Use Conditions of Approval associated with the BIA Concurrence letter and Environmental Analysis Mitigation Stipulations will be adhered to, including:

- Any/all contractors used by Coastal Oil & Gas Corporation will have acquired a Tribal Business License and have access permits prior to construction.
- If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, an approved right-of-way will be obtained from the BIA before the Operator begins any construction activities. The BIA right-of-way application will be delivered under separate cover. If the surface is owned by another entity and the mineral rights are owned by the Ute Indian Tribe, a right-of-way will be obtained from the other entity.

Upon completion of the APD and right-of-way construction, the Ute Tribe Energy and Mineral Department will be notified so that a Tribal Technician can verify an Affidavit of Completion.

- Operator's employees, including subcontractors, will not gather firewood along roads constructed by the Operator. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way Authorization." The Operator, subcontractors, vendors and their employees or agents may not disturb saleable timber (including firewood) without a duly granted wood permit from the BIA Forester.
- All roads constructed by the Operator on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the Operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products, and (e) only authorized personnel permitted.
- All well site locations on the Uinta and Ouray Indian Reservation will have an appropriate sign indicating the name of the Operator, the lease serial number, the well name and

number, the survey description of the well (either footages or the quarter/quarter section, the section, township, and range).

13. **Lessee's or Operator's Representative and Certification:**

Bonnie Carson
Senior Environmental Analyst
Coastal Oil & Gas Corporation
P.O. Box 749
Denver, CO 80201-0749
(303) 573-4476

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 877-7044

Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

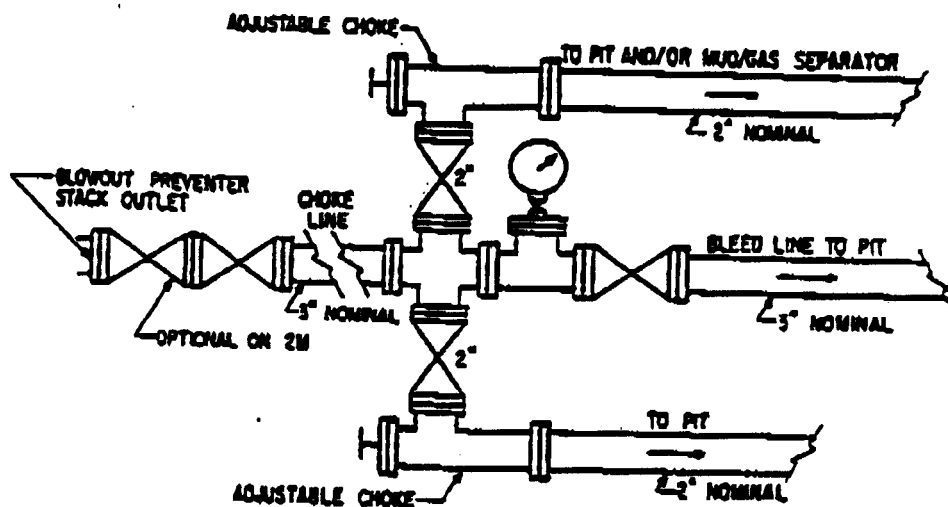
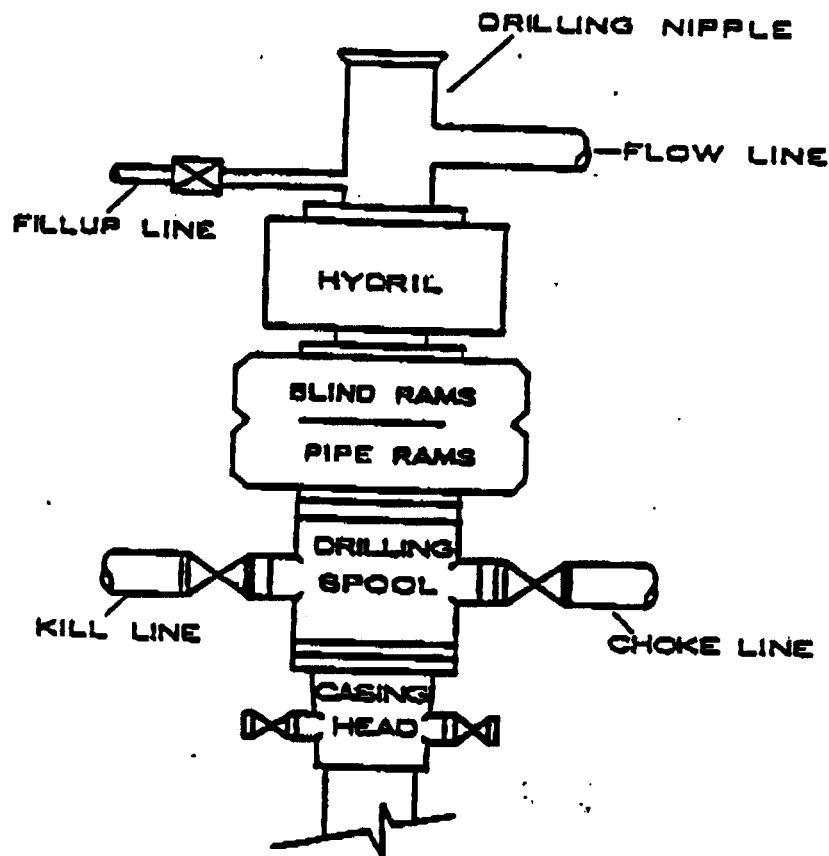
The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Site specific certification will be submitted with the site specific APD.


Bonnie Carson

5/29/97
Date

3,000 PSI

BOP STACK

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT" - for such proposals

SUBMIT IN TRIPLICATE

RECEIVED

AUG 11 1997

1. Type of Well

☐

Oil Well

☐

Gas Well

☒

Other

Natural Buttes Field

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P. O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., Or Survey Description)

Future wells in Natural Buttes Unit

5. Lease Designation and Serial No.

Various

6. If Indian, Alottee or Tribe Name

Ute Tribe

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

To be determined

9. API Well No.

To be determined

10. Field and Pool, Or Exploratory Area

Natural Buttes

11. County or Parish, State

Uintah County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒

Notice of Intent

☐

Subsequent Report

☐

Final Abandonment Notice

☐

Abandonment

☐

Recompletion

☐

Plugging Back

☐

Casing Repair

☐

Altering Casing

☒Other Standard Operating Procedure

Amendment

☐

Change of Plans

☐

New Construction

☐

Non-Routine Fracturing

☐

Water Shut-Off

☐

Conversion to Injection

☐

Dispose Water

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markets and zones pertinent to this work.)

The Operator requests permission to amend the Standard Operating Procedure currently in use for newly drilled wells in the Natural Buttes Unit with the additions/changes described in the attachment.

14. I hereby certify that the foregoing is true and correct

Signed

Bonnie Carson

Title Senior Environmental Analyst

Date

08/07/97

(This space for Federal or State office use)

APPROVED BY

Conditions of approval, if any:

Title

ACTING

Assistant Field Manager
Mineral Resources

Date

AUG 19 1997

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

OPERATOR

The following revisions/additions refer to the Surface Use portion of the Natural Buttes SOP. The revisions/additions are printed in bold.

4. **Location of Existing and Proposed Facilities:**

The following guidelines will apply if the well is productive.

- All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, Munsell standard color number 2.5Y 6/2.
- A description of the proposed pipeline and a map will be included with the site specific APD. Pipelines will be constructed of 4" OD steel. Pipeline segments will be welded together on disturbed areas in or near the location (whenever possible), and dragged into place.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLIC
(Other instructions
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ **DEEPEN** ☐

b. TYPE OF WELL
 OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR
Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.
P.O. Box 749, Denver, CO 80201-0749

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface
1130' FNL & 1398' FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 36.9 miles southeast of Vernal, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drilg. unit line, if any) **N/A**

16. NO. OF ACRES IN LEASE
400

17. NO. OF ACRES ASSIGNED TO THIS WELL
N/A

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
See Topo Map C

19. PROPOSED DEPTH
6700'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
Ungraded GR - 4909.3'

22. APPROX. DATE WORK WILL START*
Upon Approval

RECEIVED
JUN 29 1998
DIV. OF OIL, GAS & MINING

RECEIVED
DEC 08 1997

5. LEASE DESIGNATION AND SERIAL NO.
U-0577-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME
Natural Buttes Unit

8. FARM OR LEASE NAME, WELL NO.
NBU 294

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
Natural Buttes Field

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 22 T9S-R20E

12. COUNTY OR PARISH
Uintah

13. STATE
Utah

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|----------------------|-----------------|---------------|--------------------|
| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| See attached | | | | |
| Drilling Program | | | | |

Coastal Oil & Gas Corporation proposes to drill a well to the proposed TD as stated above. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

See the attached Drilling Program and Multi-point Surface Use & Operations Plan.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. It agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided for by: State of Utah Bond #102103, BLM Nationwide Bond #U605382-9, and BIA Nationwide Bond #114066-A.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Sheila Bremer
 SIGNED Sheila Bremer TITLE Environmental & Safety Analyst DATE 12/4/97

(This space for Federal or State office use)

NOTICE OF APPROVAL

43047-33020

CONDITIONS OF APPROVAL
TO OPERATOR'S COPY

PERMIT NO. _____

APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Wayne P. Bant ACTING Assistant Field Manager
 TITLE Mineral Resources DATE 6/8/98

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

memorandum

June 15, 1998

DATE:

REPLY TO
ATTN OF:

Superintendent, Uintah & Ouray Agency

SUBJECT:

APD and Corridor ROW Concurrence for Coastal Oil & Gas Corporation
 Bureau of Land Management, Vernal District Office
 Attn: Minerals and Mining Division

TO:

We recommend approval of the Application for Permit to Drill (APD) Right of Ways on the wells listed below, with required stipulations:

NBU#294, NENW, Section 22, T9S, R20E, SLBM
 NBU#299, SWNE, Section 16, T9S, R21E, SLBM
 NBU#300, NWNW, Section 21, T9S, R21E, SLBM

RECEIVED

JUN 17 1998

Based on available information received on 11-28-97, the proposed location was cleared in the following areas of environmental impact.

| | | | | |
|-----|---|----|--|--|
| YES | X | NO | | Listed threatened or endangered species |
| YES | X | NO | | Critical wildlife habitat |
| YES | | NO | | Archaeological or cultural resources |
| YES | | NO | | Air quality aspects (to be used only if Project is in or adjacent to a Class I area) |

Enclosed is a copy of the BIA's Environmental Analysis (EA). Please refer to Item 6.0 for Mitigation Stipulations.

REMARKS: The Ute Tribe Energy & Minerals (E&M) Department also requires that all companies adhere to the following criteria, during and after, all phases of construction activities.

1. The Ute Tribe Energy and Minerals Department is to be notified 48 hours prior to construction, as a Tribal Technician is to monitor construction.
2. NBU#300 will have a qualified paleontologist monitor construction activity for wellsite, access road and pipeline. The Ute Tribe reserves the right to stop construction and /or relocating locations/pipelines.
3. NBU#299 has alternative routes to minimize surface damage for access road and pipeline rights-of-way. Alternative routes should be on file with the BIA and Tribe. If no archaeological problem with alternative route Tribe recommends its rights-of-way.
4. NBU#299 will have a qualified archaeologist monitor the wellsite, access road and pipeline construction.
5. The constructed travel width of the access road will be 18 feet, except in cases of sharp curves and/or intersections.
6. Surface pipelines will not be bladed or cleared without BIA or Tribal Approval
7. Rights-of-way for pipeline will not be used as roadways.
8. All Coastal personnel and /or their contractors will have approved APD's and ROW on locations.
9. Tribal Technician to be notified during construction of reserve pits, and also during backfilling of pits. Reserve pits will be fenced.

10. All Coastal Oil & Gas Corporation employees and/or authorized personnel (sub-contractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.
11. All Coastal employees and/or authorized personnel (sub-contractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of constructions.
12. All vehicular traffic, personnel movement, construction /restoration operations should be confined to the areas examine and approved, and to the existing roadways and/or evaluated access routes.
13. All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.
14. The personnel from the Ute Tribe Energy & Minerals should be consulted if any cultural remains from subsurface deposits be exposed or identified during construction.
15. All mitigative stipulations contained in the Bureau of Indian Affairs site specific Environmental Analysis (EA), will be strictly adhered.
16. Upon completion of the APD and corridor ROW's, the Ute Tribe's Energy & Minerals is to be notified by Coastal, so that a Tribal Technician can verify the Affidavit of Completions.

A handwritten signature in black ink, appearing to be a stylized name, possibly "D. W. K.", written in a cursive script.

781-4410
TO ATTN:

SITE SPECIFIC ENVIRONMENTAL ANALYSIS

1.0 PROPOSED ACTION

Coastal Oil & Gas Corp. is proposing to drill an gas well NBU #294 and construct 100 feet of access road, and approximately 240 feet of surface pipeline.

2.0 ALTERNATIVE ACTIONS

- A. ALTERNATIVE CONSIDERED: The proposed action is the preferred alternative.
- B. NO ACTION: Under the no action alternative the proposed action would not be implemented.
- C. OTHER: NA

3.0 PERMITTEE/LOCATION

- A. Permittee- Coastal Oil & Gas Corp.
- B. Date- 11-20-97
- C. Well number- NBU #294
- D. Right-of-way- Access road 100 feet, and pipeline r/w approximately 240 feet.
- E. Site location NENW, Section 22, T9S, R20E, SLB&M.

4.0 SITE SPECIFIC SURVEY

A. SITE DESCRIPTION

- 1. Elevation (feet) 4909
- 2. Annual precipitation (inches)- 4 to 8
- 3. Topography - Rolling hills
- 4. Soil- The soil texture is (0 to 6") loamy sand having a rapid water intake rate and permeability.

B. VEGETATION

- 1. Habitat type is semi desert scrub.
- 2. Percent Ground Cover- estimated to be 30%.
- 3. Vegetation consists of approximately 30% grasses, 60% scrubs, and 10% forbs. The main variety of grasses Indian ricegrass, galletta, squirrel tail and cheat grass. Forbs are annuals. Scrubs consist of big sagebrush, prickly pear, spiny hopsage, rabbit brush, fourwing salt bush, spiny horse brush, grease wood, and snake weed.
- 4. Observed Threatened & Endangered species: None.

ways, had a cultural resource survey performed by Metcalf Archaeological Consultants, Inc.

5.0 ENVIRONMENTAL IMPACTS

A. SURFACE ALTERATIONS

| | acres |
|--------------------------|-------|
| 1. Access road | 0.01 |
| 2. Well site | 1.83 |
| 3. Pipeline right-of-way | 0.17 |
| 4. Total area disturbed | 2.01 |

B. VEGETATION/LANDSCAPE

1. Production loss (AUM's)/year: 0.13
2. Permanent scar on landscape: Yes X No
3. Potential impacts to Threatened & Endangered species:
Yes No X

C. SOIL/RANGE/WATERSHED

There will be an increase in wind and water erosion as a result of removing vegetation and exposing the soil from construction of the wellsite and access road. This will increase water runoff and the soil will remain exposed causing erosion to continue for the life of the well, and until the site is rehabilitated.

Within 90 days after the well is completed excess fluids will be removed from the reserve pits and hauled to an approved disposal site, and the pits will be backfilled.

The area is presently used as rangeland and permits have been issued by BIA for grazing livestock. This project will reduce livestock grazing by approximately 0.13 AUM/year.

The area is not used as irrigated cropland and a water right has not been designated for the area.

D. WILDLIFE/THREATENED & ENDANGERED SPECIES

There will be a reduction of wildlife habitat and grazing for livestock. There will also be an increase in wildlife disturbance and poaching resulting from the additional traffic and people using the area.

There are no known impacts to Threatened or Endangered species.

JUN-18-98 08:35 FROM: BUREAU OF LAND MANAGEMENT

6.0 MITIGATION STIPULATIONS

A. VEGETATION/LANDSCAPE

1. Before the site is abandoned the company will be required to restore the well pad, and access road to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.

2. Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way onto adjoining land, the company will also be responsible for their control.

B. SOILS/RANGE/WATERSHEDS

1. Soil erosion will be mitigated by reseeding all disturbed areas.

2. Approximately 17 rods of fence will be constructed around the reserve pit until it is back filled.

3. Loading of the soil and geological formations from pollutants from disposed water and other oil field by-products will be mitigated by requiring the oil company to:

a. Using an open drilling system. This means that reserve pits will be lined with impervious synthetic liners. Prior to back-filling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the reserve pits are back-filled the surplus oil and mud, etc. will be buried a minimum of 3.0 feet below the surface of the soil.

b. A closed system will be used during production. This means that production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites.

c. Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

4. ACCESS ROADS

JUN-18-98 08:40 FROM: BUREAU OF INDIAN AFFAIRS

Although the access road right-of-way is 30 feet wide, the constructed travel width of the access road shall be limited to 18 feet, except it may be wider where sharp curves, deep cuts and fills occur, or where intersections with other roads are required.

5. SURFACE PIPELINES

Surface pipelines will be constructed to lay on the soil surface, and the right-of-way will not be blades or cleared of vegetation without site specific authorization from BIA.

Where surface pipelines do not parallel roads but cross country between stations, they shall be welded in place at wellsites or on access roads and then they shall be pulled between stations with a suitable piece of equipment. Traffic will be restricted along these areas so that the pipeline right-of-way will not be used as an access road.

6. MOVE ACCESS ROAD

If there are no archeological problems, move the proposed road which begins at the CIGE Well #200 and goes to the proposed NBU Well #299, and have it begin at the CIGE Well #104 and have it go to the NBU Well #299. If there are archeological problems continue with the original proposal.

C. WILDLIFE/VEGETATION/THREATENED & ENDANGERED SPECIES

No Threatened & Endangered species have been identified associated with this project. Therefore, no stipulations have been developed for their protection.

The operator, their employees, sub-contractor, and representatives shall not carry firearms on their person or in their vehicles while working on the Uintah & Ouray Indian Reservation.

D. CULTURAL RESOURCES

Cultural resource surveys were performed by Metcalf Archaeological Consultants, Inc. during May 1997.

All vehicular traffic, personnel movement, construction and restoration operations shall be confined to the flagged areas and corridors examined as referenced in the cultural resource

JUN-18-98 08:46 FROM: BUREAU OF LAND MANAGEMENT
survey.

All Coastal personnel and their sub-contractors shall refrain from collecting artifacts and from disturbing any cultural resources in the area.

Coastal authorized officials and their sub-contractors shall immediately stop construction activities and shall consult with BIA and the Ute Indian Tribal Department of Energy & Minerals should cultural remains from subsurface deposits be exposed during construction work or if the need arises to relocate or otherwise alter the location of the construction area. (Construction activities may resume in areas outside of the area where cultural resources are not exposed.) Prior to commencing constructing in the area where cultural resources are exposed the operator must obtain authorization from BIA and the Ute Tribal Department of Cultural Rights and Protection.

7.0 UNAVOIDABLE ADVERSE IMPACTS

A. SURFACE ALTERATIONS

None of the adverse impacts listed in 5.0 above can be avoided in a practical manner except those which are mitigated in item 6.0 above and those specified in BLM's 13 point surface use plan.

B. RELATIONSHIP BETWEEN SHORT-TERM USE OF THE ENVIRONMENT VS LONG TERM PRODUCTIVITY.

1. Short Term: (Estimated 20 years) A total loss of production on the land and the associated environmental impacts will continue to influence the surrounding area for the productive life of the well.
2. Long Term: Standard policies provide for rehabilitation of the well sites and access roads. After the land is rehabilitated, it is not expected to return to its original productive capability. Normally, there will be a permanent scar left on the landscape.

C. IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT

Oil and Gas are non-renewable resources, once they have been removed they can never be replaced.

8.0 CUMULATIVE IMPACTS

JUN-18-98 09:40 FROM BUREAU INDIAN...

A. FULL DEVELOPMENT

Each additional well drilled for development increases the soil erosion potential, reduces wildlife habitat and grazing, increases potential soil and geologic pollution resulting from salt loading, reduces the soil's potential to recover, and increases the potential of water pollution from produced waters and hydro-carbons. Therefore, strict conformance with the mitigation measures and recommendations in this document is emphasized to minimize the adverse environmental impacts.

9.0 NEPA COMPLIANCE

A. RESEARCH/DOCUMENTATION

Based on available information, 11-28-97, the proposed location in the following areas of environmental impacts has been cleared:

| | | | | |
|----------|-----|-------|----|--|
| <u>X</u> | Yes | _____ | No | Listed Threatened & Endangered species |
| <u>X</u> | Yes | _____ | No | Critical wildlife habitat |
| <u>X</u> | Yes | _____ | No | Historical and cultural resources |

10.0 REMARKS

A. SURFACE PROTECTION/REHABILITATION

All essential surface protection and rehabilitation requirements are specified above.

11.0 RECOMMENDATIONS

A. APPROVAL/DISAPPROVAL

We recommend approval of the proposed action as outlined in item 1.0 above.

11-28-97
Date

Wade A. G. Hamburg
Representative - BIA Land
Operations, Uintah and Ouray
Agency

12.0 DECLARATION

A. APPROVAL

It has been determined that the proposed action is not a

JUN-18-98 08:48 FROM DENNIS
federal action significantly affecting the quality of
the environment as it would require the preparation of
an environmental impact statement in accordance with
Section 102 (2) (c) of the National Environmental
Policy Act of 1969 (42 USC 4331) (2) (C).

12/1/97
Date


Superintendent
Uintah and Ouray Agency

13.0 CONSULTATION

A. REPRESENTATIVES/ORGANIZATION

Paul Bershers-Coastal
Shella Brenner-Coastal
Greg Darlington- BLM
Robert Key-Uintah Engineering
Alvin Ignacio- UTEM
Dale Hanberg- BIA
Johnny Faucett-contractor
Harley Davidson-contractor

B:\EACost.NBU294

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Coastal Oil & Gas Corporation

Well Name & Number: NBU 294

API Number: 43-047-33020

Lease Number: U-0577-B

Location: NENW Sec. 22 T. 09S R. 20E

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. **DRILLING PROGRAM**

1. **Casing Program and Auxiliary Equipment**

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 424 ft.

SURFACE CONDITIONS OF APPROVAL
Coastal Oil and Gas Company

The Ute Tribe Energy and Mineral Department is to be notified 48 hours prior to construction. The Tribal Technician shall be notified during construction of reserve pits and also during backfilling of pits. Mud tanks are to be positioned so that pit liners are used during drilling. The pit liners are to be reinforced to prevent failure of the liners near the mud tanks. Pits will be fenced and fences will be maintained as described in Coastal's Standard Operating Procedures for their APD's in the Natural Buttes Unit.

Thirty foot wide Rights-Of-Way (ROWs) corridor shall be granted for the following:

Access roads which shall have constructed travel width limited to 18 feet, except as granted for sharp curves or intersections or where deep cuts are required for road construction. The new access will be about 100 feet in length.

About 240 feet of surface steel production flowline is planned for this project. Surface pipelines will be constructed to lay on the soil surface, and the ROW for the pipeline will not be bladed or cleared of vegetation. The line shall either be constructed on the road and then lifted from the road to its intended location paralleling the road, or it shall be welded in place at a welding station located at the wellsite or on roads near the flowline right of way and then dragged into place with a suitable piece of equipment so it will not destroy the natural vegetation.

Coastal will assure the Ute Tribe that any/all contractors and subcontractors have acquired a 1998 Tribal Business License and have access permits prior to construction.

Coastal employees, representatives, and subcontractors shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

Coastal employees and/or authorized personnel (subcontractors) in the field will have applicable APD's and/or ROW permits/authorizations on their person(s) during all phases of construction.

All vehicular traffic, personnel movement, construction, and restoration activities shall be confined to the areas examined, as referenced in report, and to the existing roadways and/or evaluated access routes.

All personnel should refrain from collecting artifacts, any paleontological fossils, and from disturbing any significant cultural resources in the area.

The Ute Tribe Energy & Mineral Department shall be consulted if cultural remains(including paleontology fossils) from subsurface deposits are exposed or identified during construction or if the need arises to relocate or otherwise alter the location of the construction area.

Before the site is abandoned, the company will be required to restore the well site and ROWs to near their original state. The disturbed areas will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on the well site and rights-of-way. If noxious weeds spread from the project area onto adjoining land, the company will also be responsible for their control.

Reserve pits will be lined with impervious synthetic liners. Liners will be constructed to lay under the mud tanks, and they will be reinforced to prevent the liner from developing holes where fluids flow from the mud tank into the reserve pit. Prior to backfilling the reserve pit all fluids will be pumped from the pit into trucks and hauled to approved disposal sites. When the pits are backfilled, the surplus oil and mud etc. will be buried a minimum depth of 3.0 feet below the surface of the soil.

The flare pit will be adjacent to the reserve pit.

A closed production system will be used. Production fluids will be contained in leak proof tanks. All production fluids will be disposed of at approved disposal sites. The indiscriminate dumping of production fluids on roads, wellsites or other areas will not be allowed.

Upon completion of the project approved under this Application for Permit to Drill and Right-of-way, the Ute Tribe Energy & Minerals Resources Department will be notified by Coastal Oil and Gas Company so that a Tribal Technician can verify Affidavit of Completion's.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU 294

9. API Well No.

10. Field and Pool, or exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah Utah

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P.O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1130' FNL & 1398' FWL

Section 22, T9S-R20E

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Change TD
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The operator requests permission to deepen the referenced well from the total depth submitted in the APD to 7150'. Casing and cement is addressed in the Natural Buttes Standard Operating Procedure.

14. I hereby certify that the foregoing is true and correct

Signed

Bonnie Carson

Title

Bonnie Carson

Senior Environmental Analyst

Date

3/20/98

(This space for Federal or State office use)

Approved by

Conditions of approval, if any.

Accepted by the
Utah Division of
Oil, Gas and Mining

Title

Date

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR RECORD ONLY * See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT - " for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3. Address and Telephone No.

P.O. Box 749, Denver, CO 80201-0749

(303) 573-4476

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1130' FNL & 1398' FWL
Section 22, T9S-R20E

5. Lease Designation and Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA, Agreement Designation

Natural Buttes Unit

8. Well Name and No.

NBU 294

9. API Well No.

10. Field and Pool, or exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah Utah

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

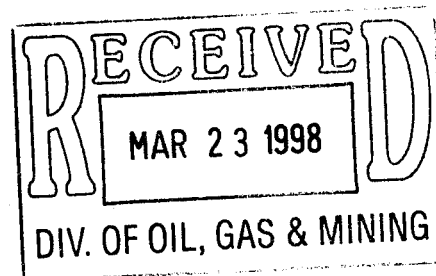
TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Change TD
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The operator requests permission to deepen the referenced well from the total depth submitted in the APD to 7150'. Casing and cement is addressed in the Natural Buttes Standard Operating Procedure.



14. I hereby certify that the foregoing is true and correct

Signed

Bonnie Carson

Bonnie Carson

Title Senior Environmental Analyst

Date 3/20/98

(This space for Federal or State office use)

Approved by

Title

Date

Accepted by the
Utah Division of
Oil, Gas and Mining

Title 18 U.S.C. Section 1001, knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

FOR RECORD ONLY

* See instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 749, Denver, CO 80201-0749

3b. Phone No. (include area code)

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1130' FNL & 1398' FWL
Section 22, T9S-R20E

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU 294

9. API Well No.

4304733020

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

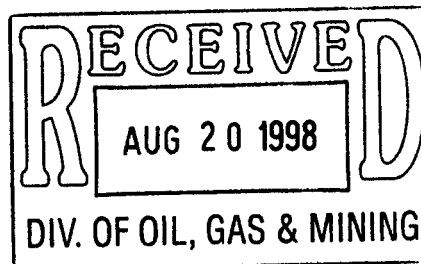
TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Change</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Pipeline Route</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

The operator proposes changing the pipeline route as shown on the attached map for the subject well. Please also see the attached archaeology letter for the proposed route change.

COPY SENT TO OPERATOR
Date: 9.1.98
Initials: [Signature]



Federal Approval of this
Action is Necessary

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Bremer

Title

Environmental & Safety Analyst

Date

8/18/98

Accepted by the
Utah Division of

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Oil, Gas and Mining

Title

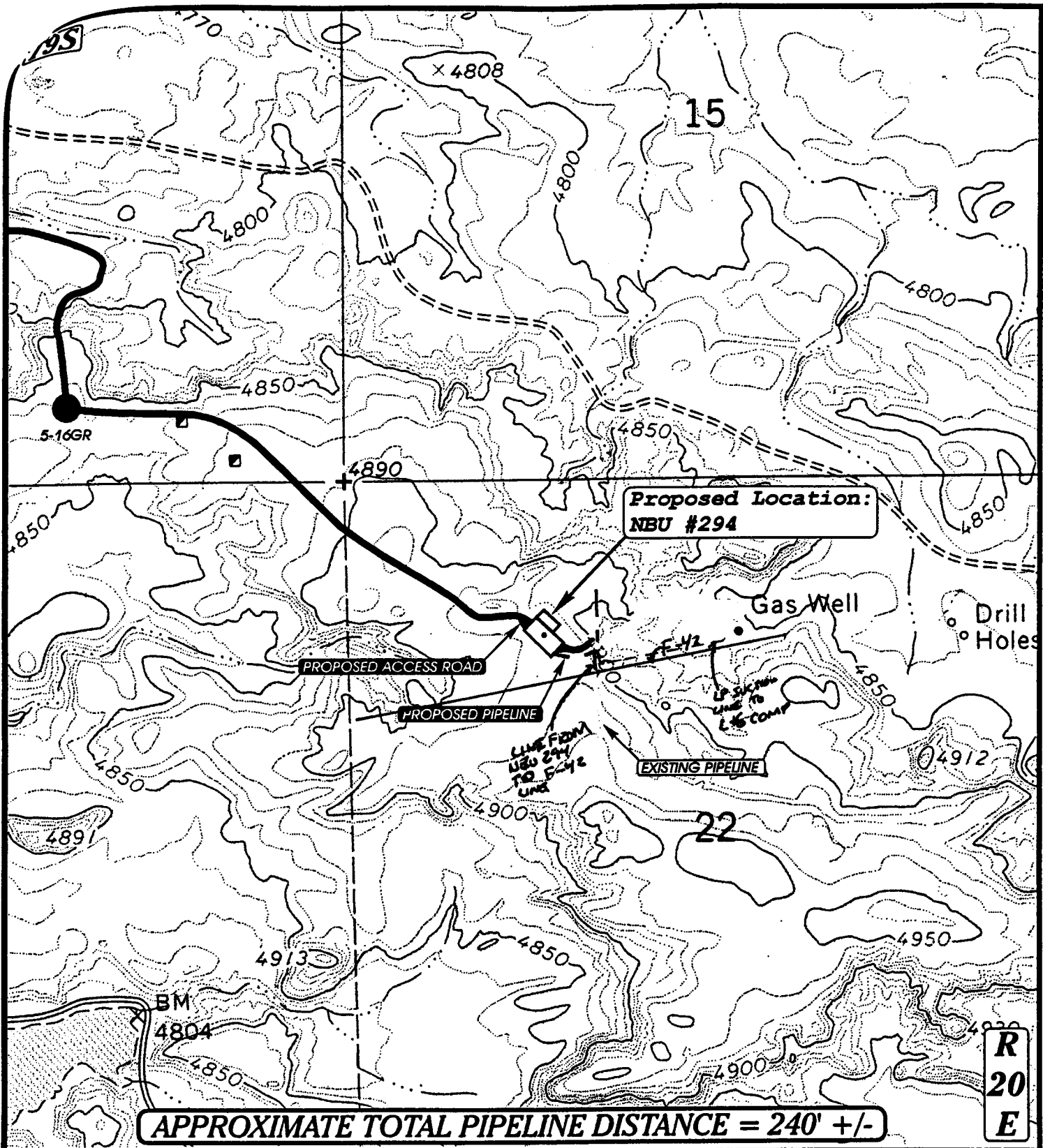
Date

Office

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds title to the land or that the rights in the subject lease which would entitle the applicant to the land are valid.

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



**TOPOGRAPHIC
MAP "D"**

--- Existing Pipeline
- - - Proposed Pipeline

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SCALE: 1" = 1000'

COASTAL OIL & GAS

NBU #294

SECTION 22, T9S, R20E, S.L.B.&M.

DATE: 5-20-97

Drawn by: J.L.G.



M A C

Metcalf Archaeological Consultants, Inc.

14 August 1998

Mr. Blaine Phillips
BLM Vernal District Archeologist
170 S 500 E
Vernal, UT 84078

DENVER DISTRICT - E & S

AUG 17 1998

Re: Re: NBU #294 pipeline reroute, Uintah County, Utah

BLC____RAD____SCP____CEL____
SAB____JRN____MDE____LPS____


Dear Mr. Phillips,

Coastal Oil & Gas sent Metcalf Archaeology a topographic map (Figure 1) showing the location of a proposed pipeline reroute for NBU #294. This pipeline leaves the southeast side of the proposed well pad and ties into an existing north-south pipeline, which in turn ties into the existing F-42 east-west pipeline. Enclosed are copies of topographic maps showing the two Class III cultural resource inventories. Figure 2 is for the NBU #294 (Barclay 1997) and Figure 3 is for the NBU #119 (Scott 1991). It appears that between the ten acres inventoried for #294 and the northern portion of the survey area for #119 the proposed pipeline reroute for NBU #294 (Figure 1) has been covered.

The earlier NBU #294 cultural study was negative with no cultural resources being discovered. The NBU #119 project area contains cultural resources. However, these resources appear to be located south of the existing F-42 pipeline. Since construction activities will take place within previously inventoried areas and north of the recorded cultural resources, with the F-42 pipeline as a buffer, a field visit should not be necessary. Cultural resource clearance for this proposed reroute is recommended based on the Uintah Engineering map with plotted existing pipelines and the two previous inventories.

If you believe that a field visit is warranted please advise us, or Sheila Bremer with Coastal, and we will conduct a Class III inventory for the pipeline reroute. Please call if you have any questions or concerns.

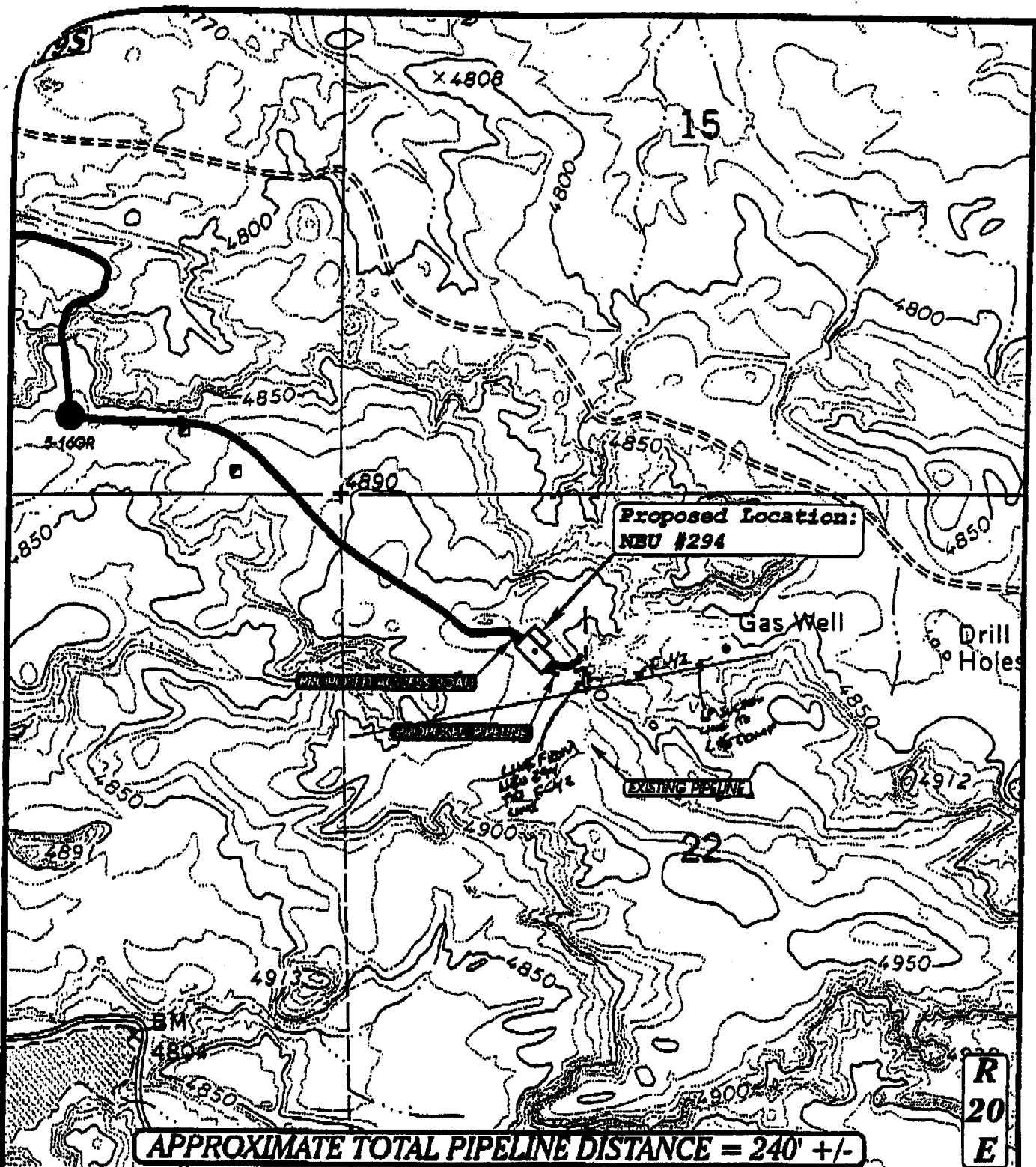
Sincerely,


Michael D. Metcalf
Principal Investigator

MDM/sjm

cc: Sheila Bremer, Coastal Oil & Gas, Denver





UE
Lg

TOPOGRAPHIC
MAP "D"

--- Existing Pipeline
- - - Proposed Pipeline

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SCALE: 1" = 1000'

FIGURE 1
COASTAL OIL & GAS

NBU #294
SECTION 22, T9S, R20E, S.L.B.&M.

DATE: 6-20-97

Drawn by: J.L.G.

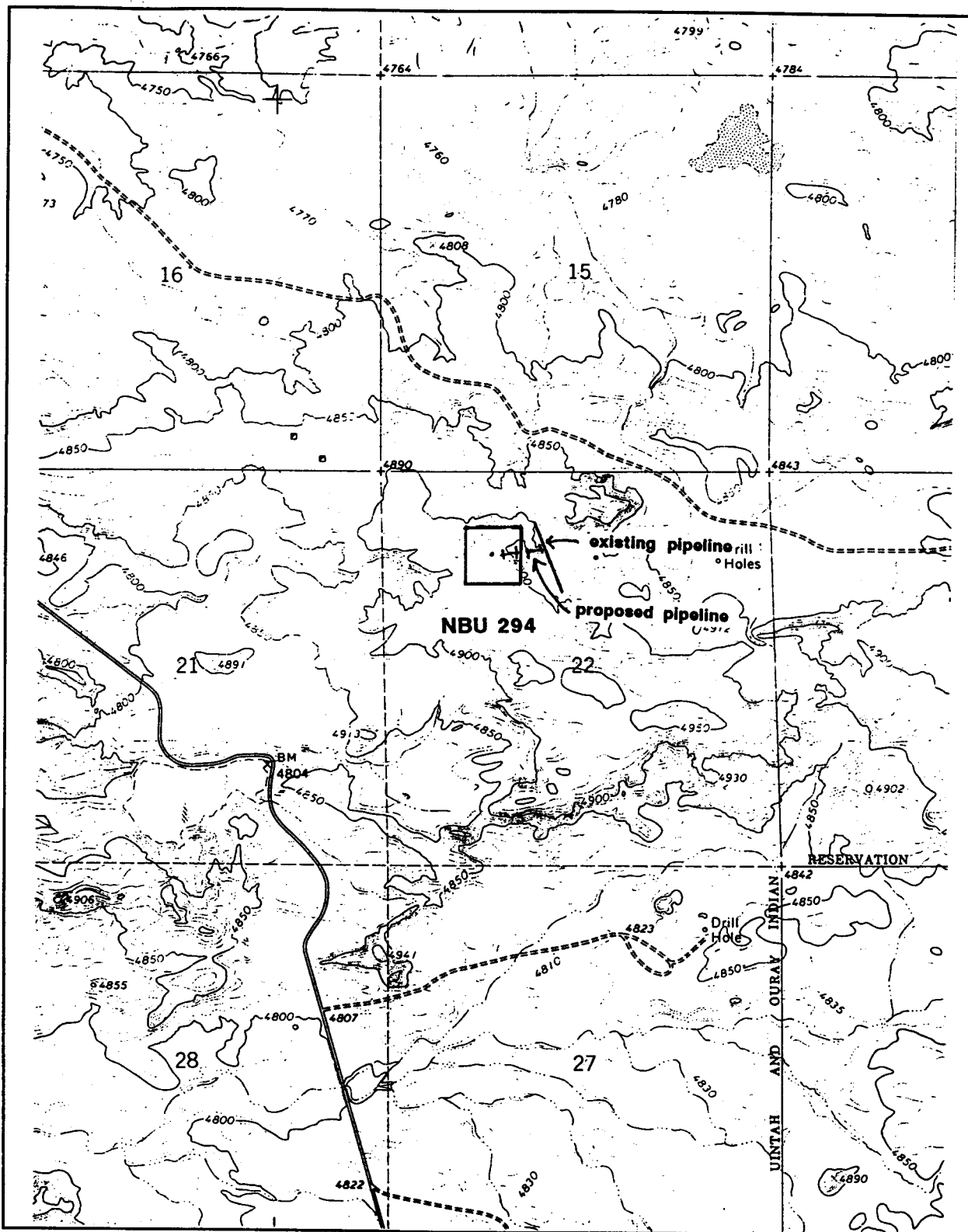


Figure 2. Project location map for the NBU #294 well pad, section 22, T9S, R20E (USGS Ouray 1964 7.5' Quadrangle).

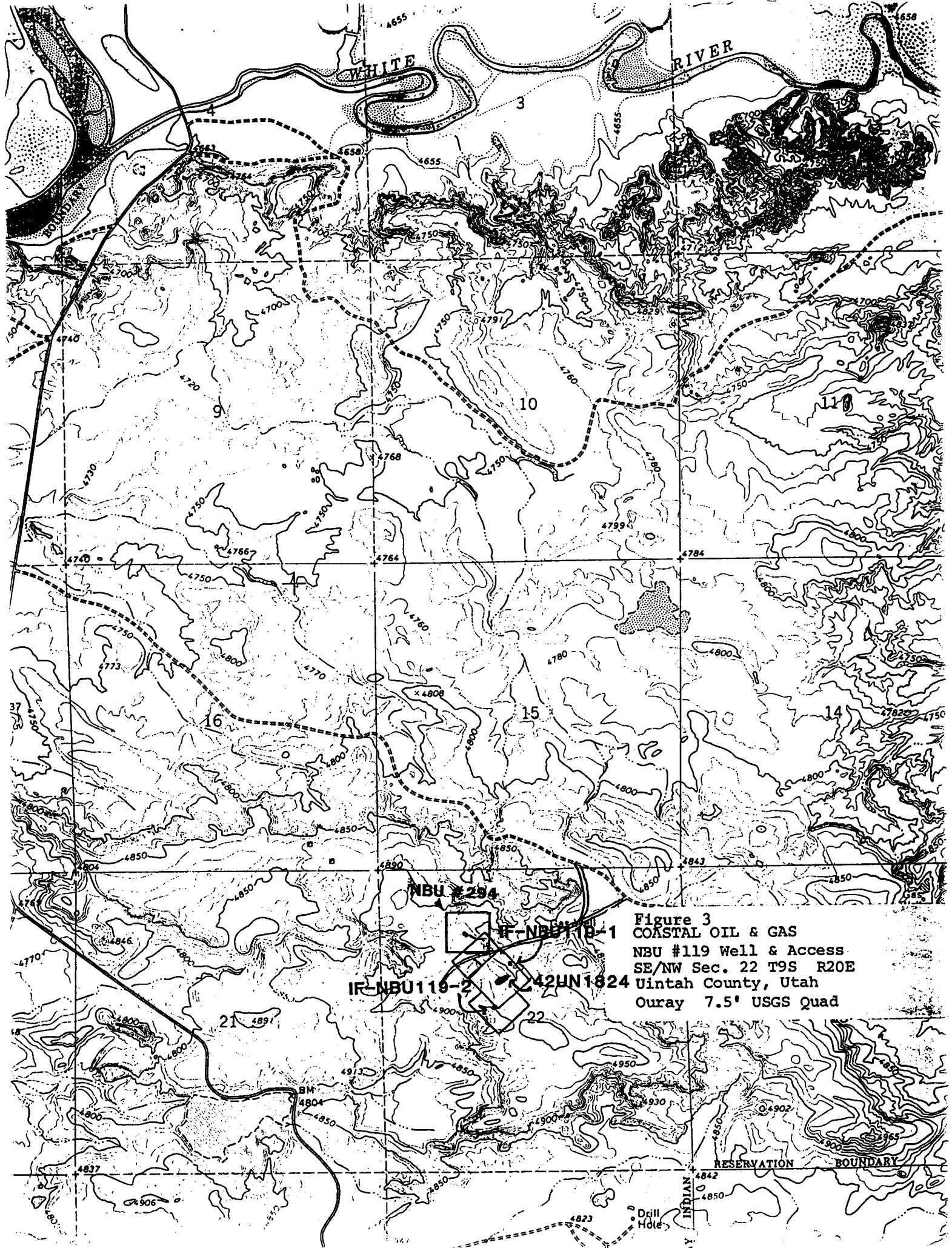


Figure 3
COASTAL OIL & GAS
NBU #119 Well & Access
SE/NW Sec. 22 T9S R20E
Uintah County, Utah
Ouray 7.5' USGS Quad

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: COASTAL OIL & GAS

Well Name: NBU 294

Api No. 43-047-33020 Lease Type: FEDERAL

Section 22 Township 9S Range 20E County UINTAH

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 8/22/98

Time _____

How DRY HOLE

Drilling will commence _____

Reported by D. HACKFORD-DOGM

Telephone # _____

Date: 8/31/98 Signed: JLT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU 294

9. API Well No.

43-047-33020

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 749, Denver, CO 80201-0749

3b. Phone No. (include area code)

(303) 573-4455

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1130' FNL & 1398' FWL
NENW, Section 22, T9S-R20E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

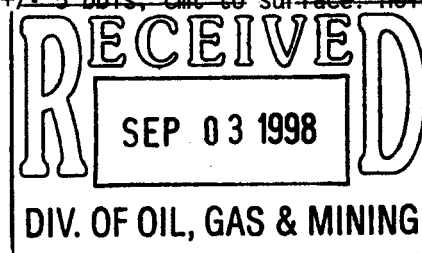
- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Spud Notice</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

8/22/98: MI & RU Bill Martin Drilling and drilled 265' of 11" hole and ran 7 jts 8 5/8" 24# J-55 with Howco shoe. Total 259.05.

8/24/98: Cmt with Halliburton, pumped 20 bbls gel water ahead of 100 sx PAG with 2% CaCl2 and 1/4#/sx Flocele, wt 15.6, yield 1.18, drop plug and disp with 14 bbls water +/- 5 bbls, cmt to surface. Hole stayed full.

Notified Ed Forsman - BLM
Spud 9:00 AM 8/22/98



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Bremer

Title

Environmental & Safety Analyst

Date

9/1/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

ENTITY ACTION FORM - FORM 6

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | WELL LOCATION | | | | | SPUD DATE | EFFECTIVE DATE |
|-------------|--------------------|----------------|--------------|-----------|---------------|----|----|-----|--------|-----------|----------------|
| | | | | | QQ | SC | TP | RG | COUNTY | | |
| B | 99999 | 02900 | 43-047-33020 | NBU #294 | NENW | 22 | 9S | 20E | Uintah | 8/22/98 | 8/22/98 |

WELL 1 COMMENTS:

entity added 9/10/98. KDR

| | | | | | | | | | | | |
|---|-------|-------|--------------|----------|------|---|-----|-----|--------|---------|---------|
| B | 99999 | 02900 | 43-047-32837 | NBU #311 | NESE | 4 | 10S | 22E | Uintah | 8/26/98 | 8/26/98 |
|---|-------|-------|--------------|----------|------|---|-----|-----|--------|---------|---------|

WELL 2 COMMENTS:

entity added 9/10/98. KDR

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

WELL 3 COMMENTS:

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

WELL 4 COMMENTS:

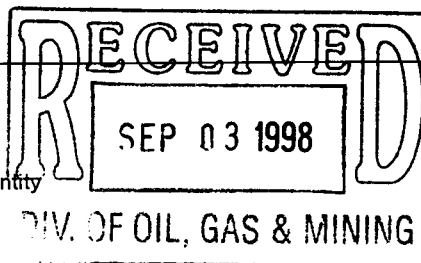
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

WELL 5 COMMENTS:

| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)



Signature *Sheila Bremer*

Environ. & Safety Analyst 9/1/98

Title

Date

Phone No. (303) 573-4455

NOTE: Use COMMENT section to explain why each Action Code was selected.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No
Natural Buttes Unit

8. Well Name and No.
NBU #294

9. API Well No.
43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State
Uintah County Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENW Section 22, T9S, R20E 1130' FNL & 1398' FWL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Td Change</u> |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

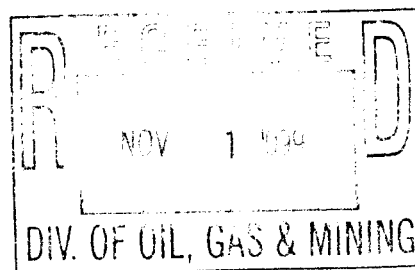
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization to revise the previous Sundry Notice requesting TD Change from 6700' to 8590' Mesaverde. Cmt, Csg and drilling fluids program will remain unchanged.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 11/4/99

By: *[Signature]*



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Upchego

Title

Environmental Secretary

Date 10/26/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Coastal Oil & Gas Corporation

3a. Address
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)
(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NENW Sec. 22, T9S, R20E 1130' FNL & 1398' FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No
Natural Buttes Unit

8. Well Name and No.
NBU #294

9. API Well No.
43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State
Uintah County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

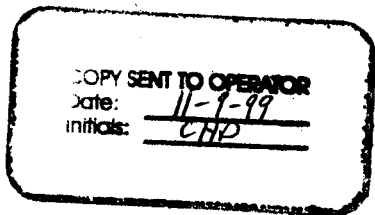
TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>TD</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Change to the</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <u>Castlegate</u> |

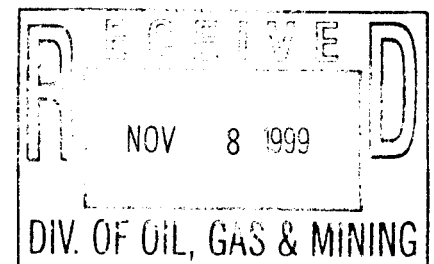
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomple in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests authorization to change the TD from 8590' Mesaverde to the 11500' Castlegate.

Please refer to the attached cmt.csg. & Drilling fluids program



**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**



14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sheila Upchego

Title

Environmental Secretary

Date 11/2/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

*Federal Approval of this
Action is Necessary*

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(Instructions on reverse)

Coastal Oil & Gas Corporation
NBU #294
NE/NW Sec.22,T9S,R20E
Uintah County, Utah

GEOLOGICAL SURFACE FORMATION:

NE/NW Sec.22,T9S,R20E - 1130'FNL & 1398'FWL

ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

| <u>Formation</u> | <u>Estimated Top</u> |
|------------------|----------------------|
| KB | 4921' |
| GREENRIVER | 1800' |
| WASATCH | 5260' |
| MESAVERDE | 8390' |
| CASTLEGATE | 10700' |
| TD | 11500' |

PROPOSED CASING PROGRAM:

See Attached Drilling Program

DRILLING FLUIDS PROGRAM:

See Attached Drilling Program

TESTING LOGGING AND CORING:

See Attached Drilling Program

CEMENTING PROGRAM:

| <u>Casing</u> | <u>Coverage</u> | <u>Volume</u> | <u>Type & Activities</u> |
|---------------|-----------------|---------------|------------------------------|
|---------------|-----------------|---------------|------------------------------|

See Attached Drilling Program

Intermediate

See Attached Drilling Program

Production

See Attached Drilling Program

| INTERVAL | SIZE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
|----------------------|---------|-----------------|---------|--------|---------|-------------------------|
| Surface Hole | 12-1/4" | Various | Air | | | |
| | | | | | | |
| SC - Top of Wasatch | 8-3/4" | Various | 500-400 | | | (No air below surf csg) |
| | | | | | | |
| Wasatch | 8-3/4" | Various (PDC) | 500-400 | | 0.5 TFA | |
| | | | | | | |
| Mesaverde/Castlegate | 8-3/4" | Various | 450-350 | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|----------|--------------------|
| SC - TD | DLL/Cal/SP/GR |
| SC - TD | Neutron/Density/GR |
| Optional | Sonic |
| Various | SWC's |

MUD LOGGER:2,500' - TD

SAMPLES:As per Geology

CORING:SWC's at selective intervals.

DST:As per Geology

MUD PROGRAM

| DEPTH | TYPE | MUD WT | WATER LOSS | VISCOSITY | TREATMENT |
|-----------|----------------------------|----------|------------|-----------|------------------------|
| 0-2,500' | Air/Mist/ Aerated Water | NA | NA | | KCL |
| | | | | | |
| 2,500'-TD | Water/Mud | 8.5-10.5 | NC - <10 | 30-45 | KCL, Gel, LCM, Polymer |
| | | | | | |
| | | | | | |

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:Blaine YearyDATE:

PROJECT MANAGER:Tom YoungDATE:

CASING PROGRAM

| | DESIGN FACTORS | | | | | | | |
|------------|----------------|----------|-----|------------|-------|------------------------|----------|---------|
| | SIZE | INTERVAL | WT. | GR. | CPLG. | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | | | |
| SURFACE | 9-5/8" | 0-2,500' | 36# | K-55 | STC | 2.53 | 1.73 | 2.23 |
| PRODUCTION | 5-1/2" | 0-TD | 17# | S-95/P-110 | LTC | SPECIFIED BY PROD DEPT | | |
| TUBING | | | | | | | | |

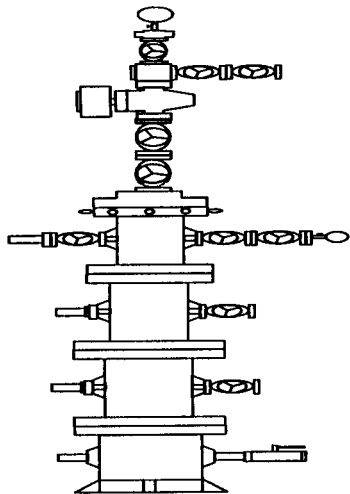
CEMENT PROGRAM

| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS | WEIGHT | YIELD |
|------------|------|----------------------------|---|-------|--------|--------|-------|
| SURFACE | LEAD | 0-2,000' | Lite + 2% CaCl2 + 0.25 lb/sk Flocele | 520 | 50% | 12.70 | 1.82 |
| | TAIL | 2,000'-2,500' | Class G + 2% CaCl2 + 0.25 lb/sk Flocele | 220 | 50% | 15.60 | 1.19 |
| PRODUCTION | LEAD | 0-4,500' (4,500') | Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsonite + 16% Gel + 1% HR-7 + 3% KCl | 380 | 25% | 11.00 | 3.80 |
| | TAIL | 4,500'-11,300' (6,800') | 50/50 Poz +0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt | 1,750 | 25% | 14.35 | 1.24 |

FLOAT EQUIPMENT & CENTRALIZERS

| | |
|------------|--|
| SURFACE | Float shoe, 1 jt, float collar. Centralize first 3 joints & every fourth joint to surface. Thread lock FE & casing up to & including pin end of first joint above FC. |
| | |
| PRODUCTION | Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including pin end of first joint above FC. |
| | |

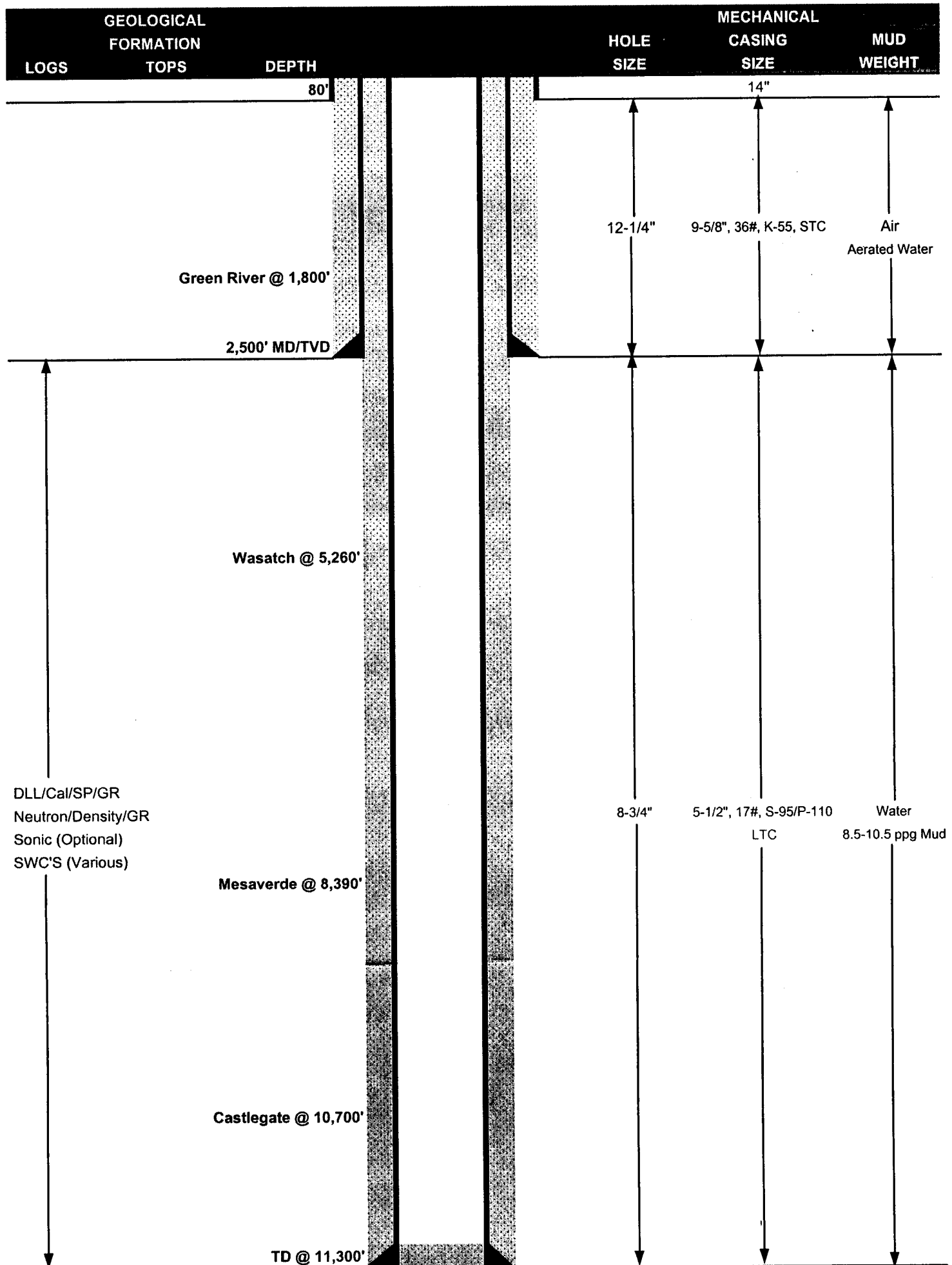
WELLHEAD EQUIPMENT



| | |
|--------------|----------------------|
| TREE | 2-1/16" 10M |
| TUBING HEAD | 11" 5M X 7-1/16" 10M |
| CASING SPOOL | |
| CASING SPOOL | |
| CASING HEAD | 9-5/8" SOW X 11" 5M |

BIT PROGRAM

| | | | |
|-------------------|---|-----------|-------------------|
| COMPANY NAME | Coastal Oil & Gas Corporation | DATE | 10/28/99 |
| WELL NAME | NBU #294 | TD | 11,300' MD/TVD |
| FIELD | Ouray | COUNTY | Uintah |
| | | STATE | Utah |
| | | ELEVATION | 4,921' KB |
| SURFACE LOCATION | 1130' FNL & 1398' FWL Sec 22, T9S-R20E | | BHL Straight Hole |
| OBJECTIVE ZONE(S) | Green River, Wasatch, Mesaverde, Castlegate | | |
| ADDITIONAL INFO | | | |



DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Coastal Oil & Gas Corporation

3a. Address
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)
(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NE/NW Sec. 22, T9S, R20E
1130' FNL & 1398' FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or Ne
Natural Buttes Unit

8. Well Name and No.
NBU #294

9. API Well No.
43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State
Uintah County UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

| | | | |
|---|---|--|--|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Revised</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Csg Program</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please refer to the REVISED casing and cementing program for the prior Sundry Notice submitted on 11/2/99 requesting authorization to drill to the Castlegate Formation TD @ 11,500'.

The subject well was spud on 8/22/98 w/ Bill Martins Rathole Rig. Drilled 265' of 11" hole and ran 7 jts of 8 5/8" 24# J-55 csg. Total 259.05'. Cmt w/ 100 sx PAG w/ 2% CaCl2 and 1/4#/sk Flocale. 2t. 15.6. yield 1.18. Displaced w/ 14 BW, cmt to surface. Hole stayed full.

| | | | | | |
|-------------------|-----------|---------|----------------|------------|---|
| Post-It® Fax Note | 7671 | Date | 11/18 | # of pages | 4 |
| To | Brad Hill | From | Cheryl Cameron | | |
| Co./Dept. | | Co. | | | |
| Phone # | | Phone # | | | |
| Fax # | | Fax # | | | |

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Cheryl Cameron

Title

Environmental Analyst

Date 11/18/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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APPROVED

The Utah Division of Oil, Gas and Mining
Robert J. Krueger, PE, Petroleum Engineer

Date: 11-18-99

Federal Approval Of This
Action Is Necessary

COPY SENT TO OPERATOR
Date 11-18-99
Initials CHD

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME

Coastal Oil & Gas Corporation

DATE

11/18/99

WELL NAME

NBU #294

TD

11,300' MD/TVD

FIELD

Ouray

COUNTY

Uintah

STATE

Utah

ELEVATION

4,921' KB

SURFACE LOCATION

1130' FNL & 1396' FWL Sec 22, T9S-R20E

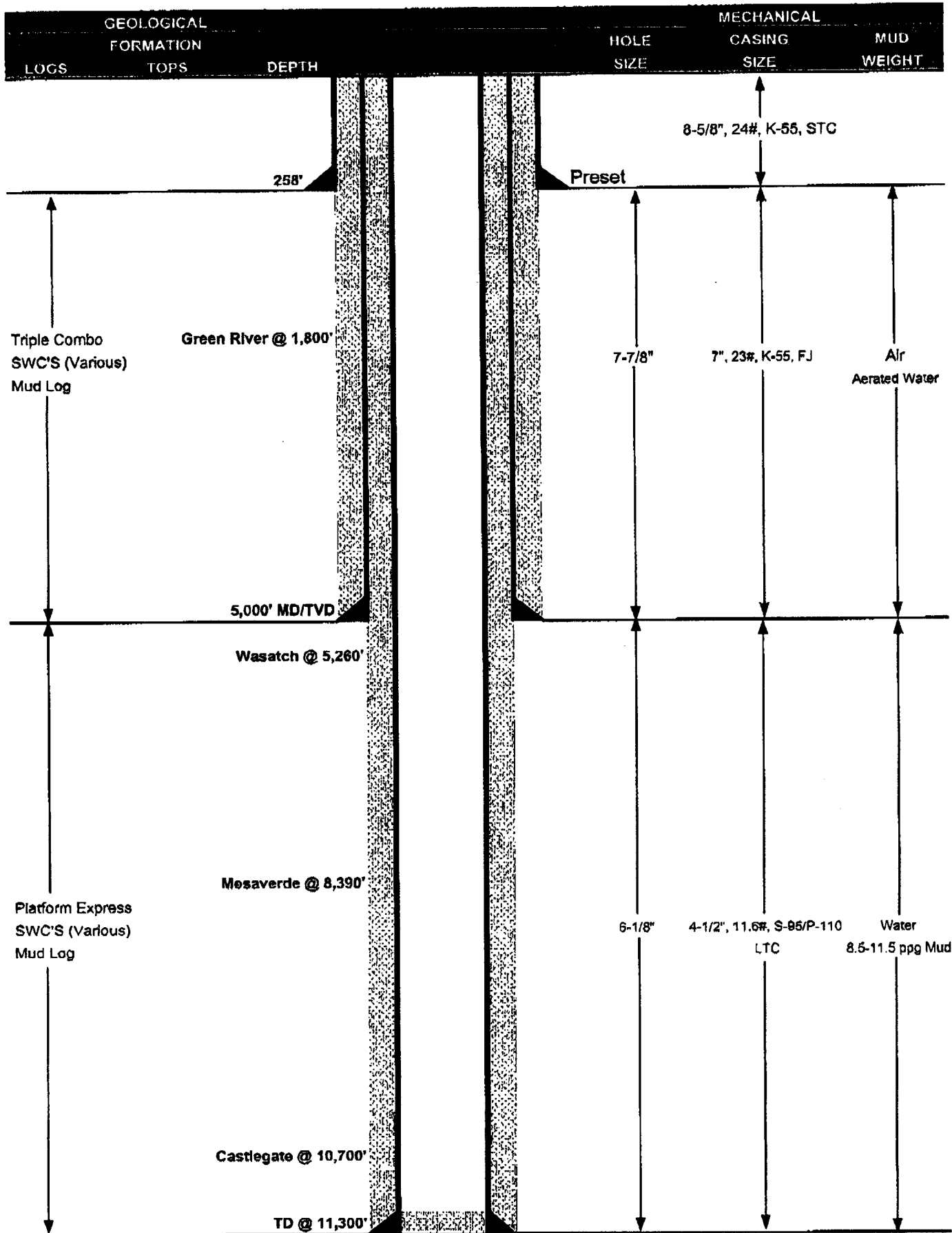
BHL

Straight Hole

OBJECTIVE ZONE(S)

Green River, Wasatch, Mesaverde, Castlegate

ADDITIONAL INFO



CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|--------------|--------|----------|-------|-------|-------|------------------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| SURFACE | 8-5/8" | 0-258' | 24# | K-55 | STC | | | |
| INTERMEDIATE | 7" | 0-5,000' | 23# | K-55 | FJ | | | |
| PRODUCTION | 4-1/2" | 0-TD | 11.6# | P-110 | LTC | SPECIFIED BY PROD DEPT | | |
| TUBING | | | | | | | | |

CEMENT PROGRAM

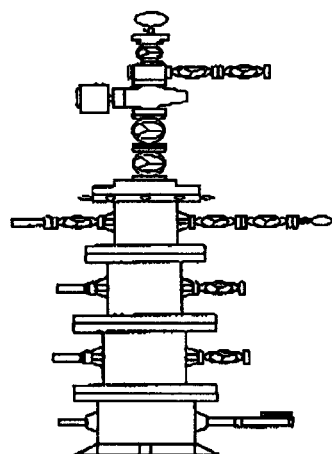
| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|--------------|------|----------------------------|--|-------|---------|--------|-------|
| INTERMEDIATE | LEAD | 0-4,000' (4,000') | Lead + 0.6% Econolite + 0.25 lb/sk Flocele + 0.2% FWCA + 10 lb/sk Gilsontite + 16% Gel + 1% HR-7 + 3% KCl | 100 | 50% | 11.00 | 3.80 |
| | TAIL | 1,000' | Class G + 2% CaCl ₂ | 100 | 50% | 15.80 | 1.17 |
| PRODUCTION | | 5,000'-11,300' (6,300') | 50/50 Poz +0.25 lb/sk Flocele + 0.6% HALAD-322 + 2% Gel + 2% MicroBond HT + 5% Salt | 610 | 25% | 14.35 | 1.24 |

* or 15% over caliper.

FLOAT EQUIPMENT & CENTRALIZERS

| | |
|--------------|--|
| INTERMEDIATE | Guide shoe, 1 jt, float collar. Thread lock FE & casing up to & including pin end of first joint above FC. |
| | |
| PRODUCTION | Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones. Thread lock FE & casing up to & including pin end of first joint above FC. |
| | |

WELL HEAD EQUIPMENT



| | |
|--------------|----------------------|
| TREE | 2-1/16" 10M |
| TUBING HEAD | 11" 5M X 7-1/16" 10M |
| CASING SPOOL | |
| CASING SPOOL | 11" 3M X 11" 5M |
| CASING HEAD | 8-5/8" SOW X 11" 3M |

COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM

BIT PROGRAM

ROCK BIT & PDC BIT PROGRAM

| INTERVAL | SIZE | BIT MFG & MODEL | GPM | SERIAL | INCHES | COMMENTS |
|----------------------|--------|-----------------|-----|--------|--------|----------|
| | | | | | | |
| SC - Top of Wasatch | 7-7/8" | Various | | | | |
| | | | | | | |
| Wasatch | 6-1/8" | Various (PDC) | | | | |
| | | | | | | |
| Mesaverde/Castlegate | 6-1/8" | Various | | | | |

| |
|--|
| |
| |
| |
| |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|-------------|------------------|
| SC - 5,000' | Triple Combo |
| 5,000' - TD | Platform Express |
| | |
| Various | SWC's |

| | |
|-------------|-------------------------------|
| MUD LOGGER: | SC - TD |
| SAMPLES: | As per Geology |
| CORING: | SWC's at selective intervals. |
| DST: | As per Geology |

MUD PROGRAM

| DEPTH | TYPE | MUD WT | WATER LOSS | VISCOSITY | TREATMENT |
|-----------|----------------------------|----------|------------|-----------|------------------------|
| 0-5,000' | Air/Mist/ Aerated Water | NA | NA | | KCL |
| | | | | | |
| 5,000'-TD | Water/Mud | 8.5-11.5 | NC - <10 | 30-45 | KCL, Gel, LCM, Polymer |
| | | | | | |
| | | | | | |

ADDITIONAL INFORMATION

| |
|---|
| Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out. |
| BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves. |
| Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees. |

| | | |
|-------------------|--------------|-------|
| PROJECT ENGINEER: | Blaine Yeary | DATE: |
| PROJECT MANAGER: | Tom Young | DATE: |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435) - 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NE/NW Sec. 22, T9S, R20E
1130' FNL & 1398' FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.

Natural Buttes Unit

8. Well Name and No.

NBU #294

9. API Well No.

43-047-33020

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Uintah County UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☒ Other Revised☐ Change Plans☐ Plug and Abandon☐ Temporarily AbandonCsq Program☐ Convert to Injection☐ Plug Back☐ Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please refer to the REVISED casing and cementing program for the prior Sundry Notice submitted on 11/2/99 requesting authorization to drill to the Castlegate Formation TD @ 11,500'.

The subject well was spud on 8/22/98 w/ Bill Martins Rathole Rig. Drilled 265' of 11" hole and ran 7 jts of 8 5/8" 24# J-55 csg. Total 259.05'. Cmt w/ 100 sx PAG w/ 2% CaCl2 and 1/4#/sk Flocele, 2t. 15.6, yield 1.18. Displaced w/ 14 BW, cmt to surface. Hole stayed full.

SENT TO OPERATOR

11-24-99
CHD

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

NOV 23 1999

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cheryl Cameron

Title

Environmental Analyst

Date

11/18/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Federal Approval of this

Date

Office

Action is Necessary

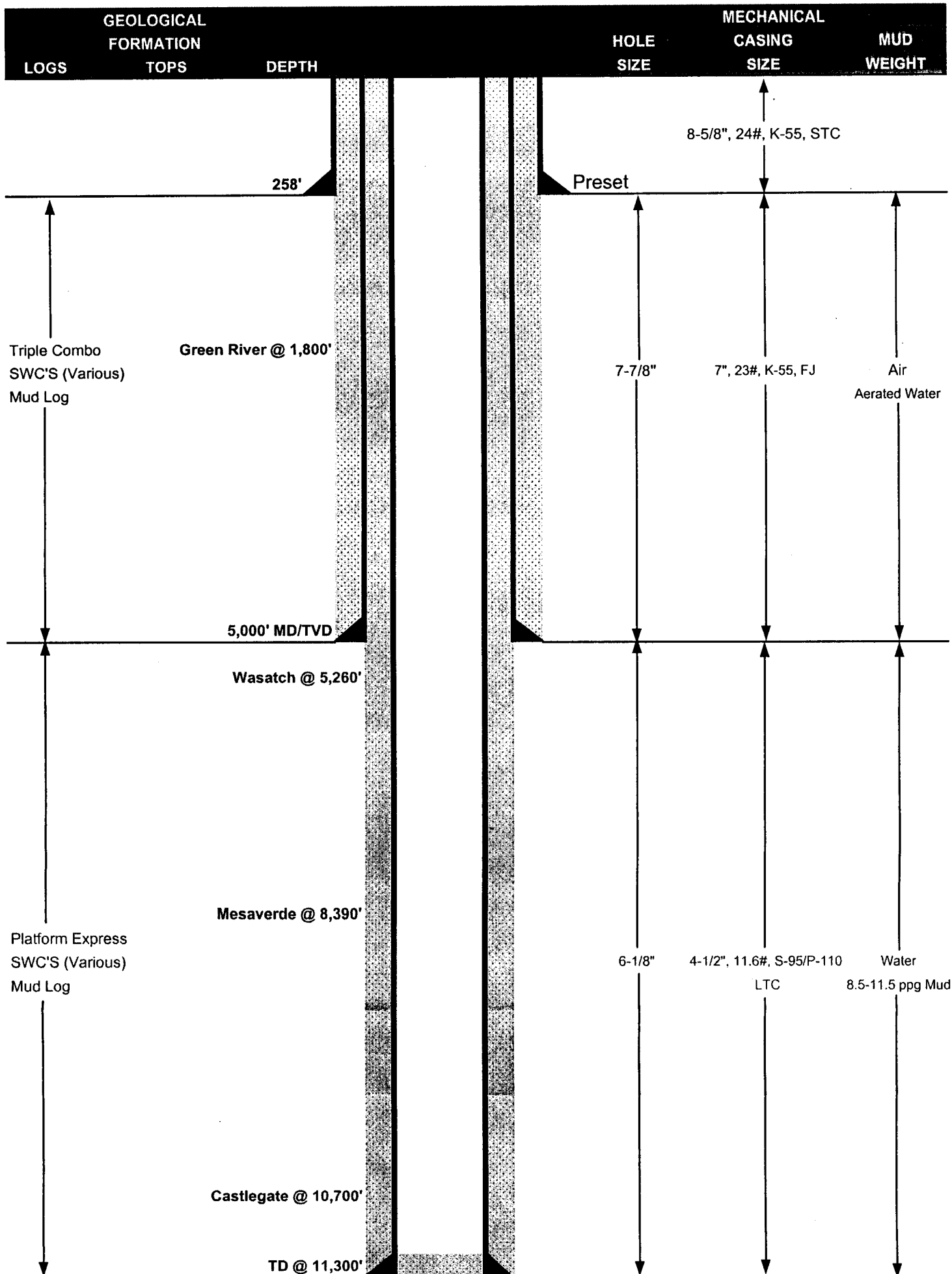
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

COMPANY NAME Coastal Oil & Gas Corporation DATE 11/18/99
WELL NAME NBU #294 TD 11,300' MD/TVD
FIELD Ouray COUNTY Uintah STATE Utah ELEVATION 4,921' KB
SURFACE LOCATION 1130' FNL & 1398' FWL Sec 22, T9S-R20E BHL Straight Hole
OBJECTIVE ZONE(S) Green River, Wasatch, Mesaverde, Castlegate
ADDITIONAL INFO _____



CASING PROGRAM

SURFACE

INTERMEDIATE

PRODUCTION

TUBING

| | | | | | DESIGN FACTORS | | |
|--------|----------|-------|-------|-------|------------------------|----------|---------|
| SIZE | INTERVAL | WT. | GR. | CPLG. | BURST | COLLAPSE | TENSION |
| 8-5/8" | 0-258' | 24# | K-55 | STC | | | |
| 7" | 0-5,000' | 23# | K-55 | FJ | | | |
| 4-1/2" | 0-TD | 11.6# | P-110 | LTC | SPECIFIED BY PROD DEPT | | |

CEMENT PROGRAM

INTERMEDIATE

LEAD

0-4,000'
(4,000')

Lead + 0.6% Econolite
+ 0.25 lb/sk Flocele + 0.2% FWCA
+ 10 lb/sk Gilsomite + 16% Gel
+ 1% HR-7 + 3% KCl

100

50%

11.00

3.80

TAIL

1,000'

Class G + 2% CaCl₂

100

50%

15.80

1.17

PRODUCTION

5,000'-11,300'
(6,300')

50/50 Poz +0.25 lb/sk Flocele
+ 0.6% HALAD-322 + 2% Gel
+ 2% MicroBond HT + 5% Salt

610

25%

14.35

1.24

* or 15% over caliper.

FLOAT EQUIPMENT & CENTRALIZERS

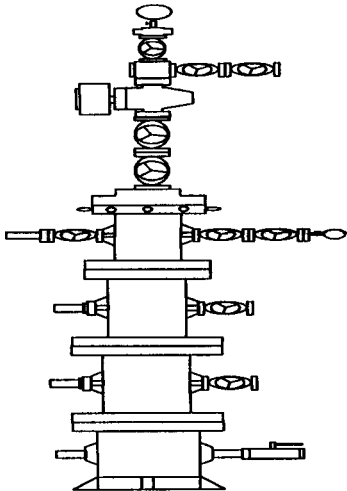
INTERMEDIATE

Guide shoe, 1 jt, float collar.
Thread lock FE & casing up to & including pin end of first joint above FC.

PRODUCTION

Float shoe, 2 jts, float collar. Centralize first 3 joints & every other joint across pay zones.
Thread lock FE & casing up to & including pin end of first joint above FC.

WELLHEAD EQUIPMENT



TREE

2-1/16" 10M

TUBING HEAD

11" 5M X 7-1/16" 10M

CASING SPOOL

CASING SPOOL

11" 3M X 11" 5M

CASING HEAD

8-5/8" SOW X 11" 3M

BIT PROGRAM

| INTERVAL | SIZE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
|----------------------|--------|-----------------|-----|--------|------|----------|
| | | | | | | |
| | | | | | | |
| SC - Top of Wasatch | 7-7/8" | Various | | | | |
| | | | | | | |
| Wasatch | 6-1/8" | Various (PDC) | | | | |
| | | | | | | |
| Mesaverde/Castlegate | 6-1/8" | Various | | | | |

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|-------------|------------------|
| SC - 5,000' | Triple Combo |
| 5,000' - TD | Platform Express |
| | |
| Various | SWC's |

| | |
|-------------|-------------------------------|
| MUD LOGGER: | SC - TD |
| SAMPLES: | As per Geology |
| CORING: | SWC's at selective intervals. |
| DST: | As per Geology |

MUD PROGRAM

| DEPTH | TYPE | MUD WT | WATER LOSS | VISCOSITY | TREATMENT |
|-----------|----------------------------|----------|------------|-----------|------------------------|
| 0-5,000' | Air/Mist/ Aerated Water | NA | NA | | KCL |
| | | | | | |
| 5,000'-TD | Water/Mud | 8.5-11.5 | NC - <10 | 30-45 | KCL, Gel, LCM, Polymer |
| | | | | | |
| | | | | | |

ADDITIONAL INFORMATION

Test casing head to 1,000 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

PROJECT ENGINEER:

Blaine Yeary

PROJECT MANAGER:

Tom Young

DATE:

DATE:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Coastal Oil & Gas Corporation

3a. Address
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)
(435)-781-7023

4. Location of Well (Footage, Sec., T., R. M., or Survey Description)
NENW Sec.22,T9S,R20E 1130'FNL & 1398'FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or
Natural Buttes Unit

8. Well Name and No.
NBU #294

9. API Well No.
43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State
Uintah County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Confidential |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | Status |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No., on file with BLM/BIA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests that the subject well be placed on Confidential Status.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Katy Dow

Title
Environmental Jr. Analyst

Date 12/17/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

CONFIDENTIAL

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Coastal Oil & Gas Corporation

3a. Address
P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)
(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NENW Sec.22,T9S,R20E 1130'FNL & 1398'FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or
Natural Buttes Unit

8. Well Name and No.
NBU #294

9. API Well No.
43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State
Uintah County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>Confidential</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | <u>Status</u> |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zone. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 day following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Coastal Oil & Gas Corporation requests that the subject well be placed on Confidential Status.

RECEIVED

DEC 23 1999

DIVISION OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Katy Dow

Title
Environmental Jr. Analyst

Date 12/17/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

CONFIDENTIAL

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENW Sec.22, T9S, R20E 1130' FNL & 1398' FWL

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No
Natural Buttes Unit

8. Well Name and No.

NBU #294

9. API Well No.

43-047-33020

10. Field and Pool, or Exploratory Area

Natural Buttes Field

11. County or Parish, State

Utah, County Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>Rig Skid</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>* See 43047-33465</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

The subject well was amended from Mesaverde to the Castlegate formation.

The well has 258' of 8 5/8" surface csg, cmt from TD to surface. 70 sx P-AG. Wt 15.6 and cut off 4' below ground. New hole w/ 14" conductor is 2' south of the original hole.

The NBU #294 was P&A on 1/23/00

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cheryl Cameron

Title

Environmental Analyst

Date 1/26/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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CONFIDENTIAL

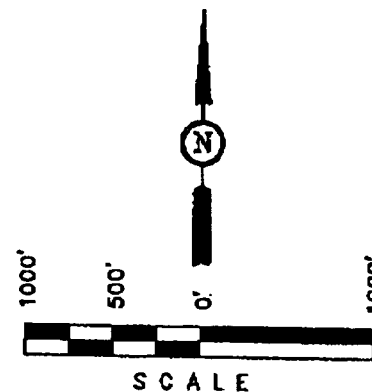
T9S, R20E, S.L.B.&M.

COASTAL OIL & GAS CORP.

Well location, NBU #294, located as shown in the NE 1/4 NW 1/4 of Section 22, T9S, R20E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 22, T9S, R20E, S.L.B.&M. TAKEN FROM THE OURAY QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4890 FEET.



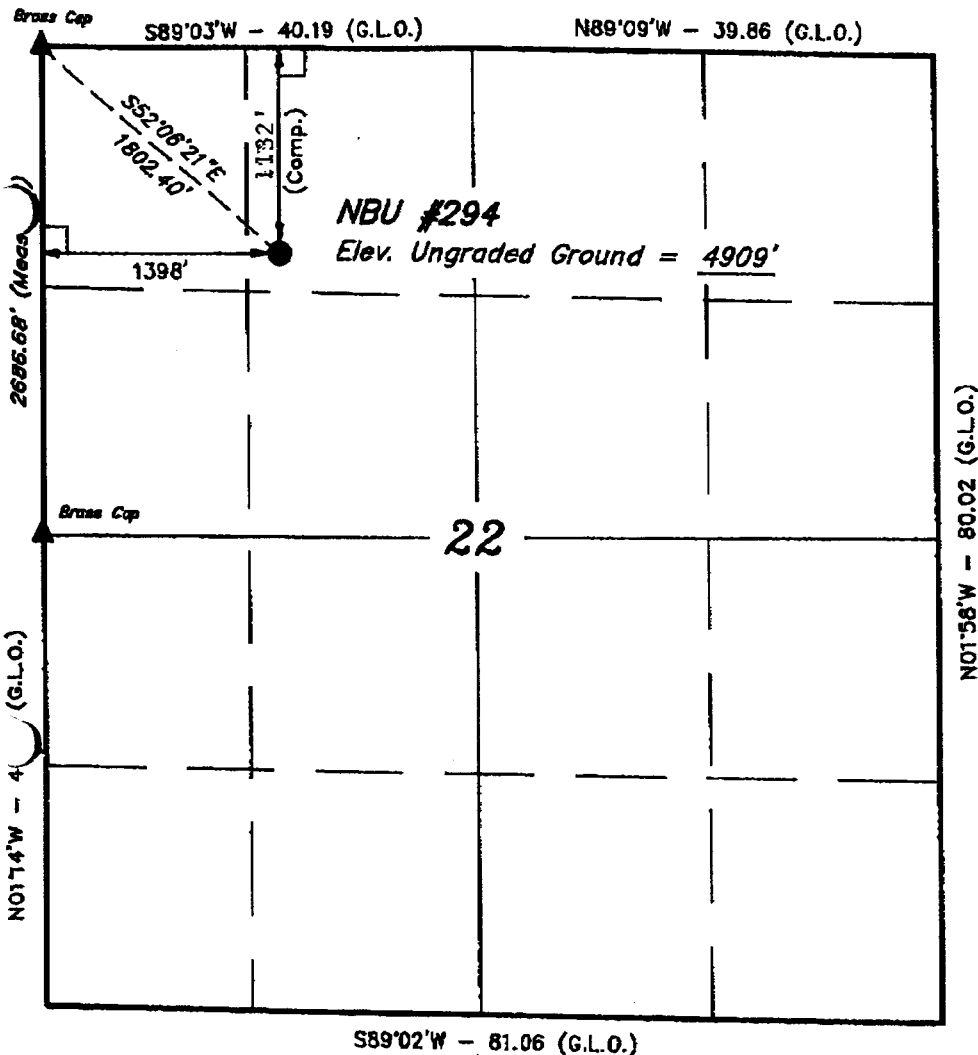
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLATINGS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. HAY
REGISTERED LAND SURVEYOR
REGISTRATION NO. 11319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

| | | |
|-----------------------------|---------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 4-17-97 | DATE DRAWN: 5-29-97 |
| PARTY L.D.T. B.G. C.B.T. | REFERENCES G.L.O. PLAT | |



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

01-26-00 04:16pm From-COASTAL OIL AND GAS DOWNSTAIRS SECRETARY +4357894436 T-617 P.03/08 F-871

DEPARTMENT OF THE INTERIOR

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

OMB NO. 1004-0137
Expires: February 28, 1995

BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.
U-0577-B

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. INDIAN, ALLOTTEE OR TRIBE NAME

Ute Tribe

7. UNIT AGREEMENT NAME

Natural Buttes Unit

8. FARM OR LEASE NAME, WELL, NO.

NBU #294

9. API WELL NO.

43-047-33020

10. FIELD AND POOL, OR WILDCAT

Natural Buttes Field

11. SEC., T. R. M. OR BLK.
AND SURVEY OR AREA
Sec. 22, T9S, R20E12. COUNTY OR
PARISH

Uintah

13. STATE

Utah

1a. TYPE OF WELL: OIL ☐ GAS ☒ DRY ☐ Other Plugged & Abandoned
1b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP. PEN. ☐ PLUG BACK ☐ DIFF. RESVR. ☐

CONFIDENTIAL

2. NAME OF OPERATOR

Coastal Oil & Gas Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 1148, Vernal UT 84078

(435)-781-7023

4. LOCATION OF WELL. (Report location clearly and in accordance with any State requirements)*

At surface

NENW

At top prod. interval reported below

1130' FNL & 1398' FWL

At total depth

14. PERMIT NO.

43-047-33020

DATE ISSUED

5/12/88

15. DATE STUDIED
8/22/9816. DATE T.D. REACHED
N/A17. DATE COMPL. (Ready to prod.)
P&A'd 1/23/0018. ELEVATIONS (OF, RKB, RT, GR, ETC.)
4909.3' Ungraded GL

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL.
HOW MANY23. INTERVALS
DRILLED BY

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*

N/A

25. WAS DIRECTIONAL
SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

N/A

27. WAS WELL CORED

No

| 28. CASING RECORD (Report all strings set in well) | | | | | |
|--|-----------------|----------------|-----------|---------------------------------|---------------|
| CASING SIZE/GRADE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
| 8 5/8" | 24# | 265' | 11" | 100 sx PAG w/2% CaCl2+1/4#sx | Flocele |
| | | | | | |
| | | | | | |
| | | | | | |

| 29. LINER RECORD | | | | 30. TUBING RECORD | | | |
|------------------|----------|-------------|---------------|-------------------|------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

31. PERFORATION RECORD (Interval, size and number)

N/A

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)

AMOUNT AND KIND OF MATERIAL USED

N/A

33.*
DATE FIRST PRODUCTION
N/A
PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump)
Plugged And Abandoned on 1/23/00WELL STATUS (Producing or shut-in)
P&A

| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD | OIL - BBL. | GAS - MCF. | WATER - BBL. | GAS - OIL RATIO |
|--------------|--------------|------------|-------------------------|------------|------------|--------------|-----------------|
| N/A | - | - | - | - | - | - | - |

| LOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL - BBL. | GAS - MCF. | WATER - BBL. | OIL GRAVITY - API (CORR.) |
|--------------------|-----------------|-------------------------|------------|------------|--------------|---------------------------|
| - | - | - | - | - | - | - |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Plugged & Abandoned on 1/23/00

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

None

I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Sheila Upchego

TITLE Environmental Jr. Analyst

DATE 1/28/00

(See Instructions and Spaces for Additional Data on Reverse Side)

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

| 37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth intervals tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries): | | | | 38. GEOLOGIC MARKERS | | |
|---|-----|--------|-----------------------------|----------------------|-------------|------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| N/A | N/A | N/A | | N/A | N/A | |



FACSIMILE COVER PAGE

THIS TRANSMISSION CONSISTS OF _____ PAGES INCLUDING COVER SHEET

TO: Carol Daniels @ FAX # 801 359 3940FROM: Sheila Upchurch @ FAX # 435-789-4436If you have any problem receiving the above specified pages, please notify Coastal Oil & Gas Corp
Office @ 435-789-4433.

Confidentiality Notice:

This message is intended only for the use of the individual or entity designated above. It is confidential and may contain information that is legally privileged or exempt from disclosure under applicable laws. You are hereby notified that any dissemination, distribution, copying or use of or reliance upon the information contained in and transmitted with this facsimile transmission by anyone other than the recipient designated by the sender is not authorized and strictly prohibited. If you have received this communication in error, please immediately notify the sender by telephone and return it to the sender by S. Mail, or destroy it if so instructed by the sender.

Thank you

NBU#294Well Completion

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

U-0577-B

6. If Indian, Allottee or Tribe Name

Ute Tribe

7. If Unit or CA/Agreement, Name and/or No.
Natural Buttes Unit

8. Well Name and No.

NBU #294

9. API Well No.

43-047-33020

10. Field and Pool, or Exploratory Area
Natural Buttes Field

11. County or Parish, State

Uintah, County Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Coastal Oil & Gas Corporation

3a. Address

P.O. Box 1148, Vernal UT 84078

3b. Phone No. (include area code)

(435)-781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

NENW Sec.22,T9S,R20E 1130'FNL & 1398'FWL

CONFIDENTIAL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Rig Skid

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

The subject well was amended from Mesaverde to the Castlegate formation.

The well has 258' of 8 5/8" surface csg. cmt from TD to surface, 70 sx P-AG. Wt 15.6 and cut off 4' below ground. New hole w/ 14" conductor is 2' south of the original hole.

The NBU #294 was P&A on 1/23/00

RECEIVED

JAN 31 2000

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Cheryl Cameron

Title

Environmental Analyst

Date

1/26/00

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

| | | | | | | | | | | | | | | | |
|---|--|--|--|--|--------------------------------------|---|--------------------------------|--|--|--|--|--------------------------|----------------------------------|----------------------|--|
| 1a. TYPE OF WELL: | | OIL WELL <input type="checkbox"/> | GAS WELL <input checked="" type="checkbox"/> | DRY <input type="checkbox"/> | Other <u>Plugged & Abandoned</u> | | | | | | | | | | |
| b. TYPE OF COMPLETION: | | NEW WELL <input checked="" type="checkbox"/> | WORK OVER <input type="checkbox"/> | DEEP-EN <input type="checkbox"/> | PLUG BACK <input type="checkbox"/> | DIFF. RESVR. <input type="checkbox"/> | Other <input type="checkbox"/> | | | | | | | | |
| 2. NAME OF OPERATOR <u>Coastal Oil & Gas Corporation</u> | | | | | | 5. LEASE DESIGNATION AND SERIAL NO. <u>U-0577-B</u> | | | | | | | | | |
| 3. ADDRESS AND TELEPHONE NO. <u>P.O. Box 1148, Vernal UT 84078</u> | | | | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME <u>Ute Tribe</u> | | | | | | | | | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface <u>NENW</u> At top prod. interval reported below <u>1130' FNL & 1398' FWL</u> At total depth | | | | | | 7. UNIT AGREEMENT NAME <u>Natural Buttes Unit</u> | | | | | | | | | |
| 14. PERMIT NO. <u>43-047-33020</u> | | | | | | 8. FARM OR LEASE NAME, WELL NO. <u>NBU #294</u> | | | | | | | | | |
| DATE ISSUED <u>5/12/88</u> | | | | | | 9. API WELL NO. <u>43-047-33020</u> | | | | | | | | | |
| 10. FIELD AND POOL, OR WILDCAT <u>Natural Buttes Field</u> | | | | | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <u>Sec. 22, T9S, R20E</u> | | | | | | | | | |
| 12. COUNTY OR PARISH <u>Uintah</u> | | | | | | 13. STATE <u>Utah</u> | | | | | | | | | |
| 15. DATE SPUDDED <u>8/22/98</u> | | 16. DATE T.D. REACHED <u>N/A</u> | | 17. DATE COMPL. (Ready to prod.) <u>P&A'd 1/23/00</u> | | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* <u>4909.3' Ungraded GL</u> | | 19. ELEV. CASINGHEAD | | | | | | | |
| 20. TOTAL DEPTH, MD & TVD | | 21. PLUG, BACK T.D., MD & TVD | | 22. IF MULTIPLE COMPL., HOW MANY* | | 23. INTERVALS DRILLED BY | | ROTARY TOOLS | | CABLE TOOLS | | | | | |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* <u>N/A</u> | | | | | | | | | | 25. WAS DIRECTIONAL SURVEY MADE <u>No</u> | | | | | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN <u>N/A</u> | | | | | | | | | | 27. WAS WELL CORED <u>No</u> | | | | | |
| 28. CASING RECORD (Report all strings set in well) | | | | | | | | | | | | | | | |
| CASING SIZE/GRADE | | WEIGHT, LB./FT. | | DEPTH SET (MD) | | HOLE SIZE | | TOP OF CEMENT, CEMENTING RECORD | | AMOUNT PULLED | | | | | |
| 8 5/8" | | 24# | | 265' | | 11" | | 100 sx PAG w/2% CaCl2+1/4#sx | | Flocele | | | | | |
| 29. LINER RECORD | | | | | | | | | | | 30. TUBING RECORD | | | | |
| SIZE | | TOP (MD) | | BOTTOM (MD) | | SACKS CEMENT* | | SCREEN (MD) | | SIZE | DEPTH SET (MD) | PACKER SET (MD) | | | |
| 31. PERFORATION RECORD (Interval, size and number) <u>N/A</u> | | | | | | | | | | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | | |
| | | | | | | | | | | | DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | | |
| | | | | | | | | | | | N/A | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 33.* PRODUCTION | | | | | | | | | | | | | | | |
| DATE FIRST PRODUCTION <u>N/A</u> | | PRODUCTION METHOD <u>Flowing, gas lift, pumping - size and type of pump</u> <u>Plugged And Abandoned on 1/23/00</u> | | | | | | WELL STATUS (Producing or shut-in) <u>P&A</u> | | | | | | | |
| DATE OF TEST <u>N/A</u> | | HOURS TESTED - | | CHOKE SIZE - | | PROD'N. FOR TEST PERIOD - | | OIL - BBL. - | | GAS - MCF. - | | WATER - BBL. - | | GAS - OIL RATIO - | |
| FLOW. TUBING PRESS. - | | CASING PRESSURE - | | CALCULATED 24-HOUR RATE - | | OIL - BBL. - | | GAS - MCF. - | | WATER - BBL. - | | OIL GRAVITY - API (20°C) | | | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) <u>Plugged & Abandoned on 1/23/00</u> | | | | | | | | | | TEST WITNESSED BY <u>FEB 07 2000</u> | | | | | |
| 35. LIST OF ATTACHMENTS <u>None</u> | | | | | | | | | | | DIVISION OF OIL, GAS AND MINING | | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records <u>Sheila Upchego</u> SIGNED <u>Sheila Upchego</u> TITLE <u>Environmental Jr. Analyst</u> DATE <u>1/28/00</u> | | | | | | | | | | | | | | | |

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

JAN. 17. 2003 3:34PM

WESTPORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436
Telephone: 303 573 5404 Fax: 303 573 5409

February 1, 2002

Department of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093
Attention: Ms. Martha Maxwell

RE: BLM Bond CO-1203
BLM Nationwide Bond 158626364
Surety - Continental Casualty Company
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.
Assumption Rider - Westport Oil and Gas Company, L.P.

Dear Ms. Maxwell:

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.
List of all Federal/BIA/State Leases - Belco/Westport's leases - in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,
Westport Oil and Gas Company, L.P.

Debby J. Black
Engineer Technician

Encl:



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al

(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas
410 Seventeenth Street, #2300 :
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

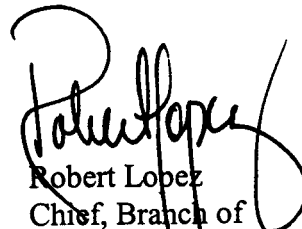
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405
UTU-20895
UTU-25566
UTU-43156
UTU-49518
UTU-49519
UTU-49522
UTU-49523



Robert Lopez
Chief, Branch of
Minerals Adjudication

cc: Moab Field Office
Vernal Field Office
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114
Teresa Thompson (UT-922)
Joe Incardine (UT-921)

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

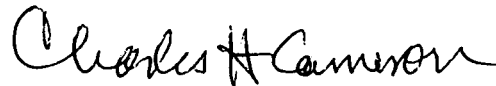
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES
Ute Energy & Mineral Resources Department: Executive Director
chrono





United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

IN REPLY REFER TO:
Real Estate Services

Carroll A. Wilson
Principal Landman
Westport Oil and Gas Company, L.P.
1368 South 1200 East
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

A handwritten signature in cursive script, reading "Perry E. Brown", is positioned above the title of the signatory.

ACTING

Director, Office of Trust Responsibilities

Enclosure



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.
Attn: Gary D. Williamson
1670 Broadway, Suite 2800
Denver, Colorado 80202

Re: Natural Buttes Unit
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File - Natural Buttes Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☐ OTHER _____

2. NAME OF OPERATOR:
El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:
9 Greenway Plaza City Houston STATE TX ZIP 77064-0995 PHONE NUMBER: (832) 676-5933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By: 
Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.
NAME (PLEASE PRINT) David R. Dix

TITLE Agent and Attorney-in-Fact

SIGNATURE 

DATE

12/17/02

(This space for State use only)

Form 3160-5
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

SEE ATTACHED EXHIBIT "A"

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | SUCCESSOR OF |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | OPERATOR |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and 2c. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Date

March 4, 2003

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH

2. CDW✓

3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **12-17-02****FROM: (Old Operator):**

EL PASO PRODUCTION OIL & GAS COMPANY

Address: 9 GREENWAY PLAZA

HOUSTON, TX 77064-0995

Phone: 1-(832)-676-5933

Account No. N1845

TO: (New Operator):

WESTPORT OIL & GAS COMPANY LP

Address: P O BOX 1148

VERNAL, UT 84078

Phone: 1-(435)-781-7023

Account No. N2115

CA No.

Unit: NATURAL BUTTES

WELL(S)

| NAME | SEC TWN RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------------|----------------|--------------|--------------|---------------|--------------|----------------|
| ANKERPONT 35-36 | 35-08S-21E | 43-047-31960 | 2900 | FEDERAL | GW | P |
| NBU 49-12B | 12-09S-20E | 43-047-30470 | 2900 | FEDERAL | GW | P |
| NBU 45N | 12-09S-20E | 43-047-30875 | 2900 | FEDERAL | GW | P |
| NBU 317-12E | 12-09S-20E | 43-047-32362 | 2900 | FEDERAL | GW | P |
| NBU 2-15B | 15-09S-20E | 43-047-30262 | 2900 | FEDERAL | GW | P |
| NBU CIGE 22-15-9-20 | 15-09S-20E | 43-047-30497 | 2900 | FEDERAL | GW | P |
| CIGE 120-15-9-20 | 15-09S-20E | 43-047-32251 | 2900 | FEDERAL | GW | P |
| CIGE 121-15-9-20 | 15-09S-20E | 43-047-32252 | 2900 | FEDERAL | GW | P |
| CIGE 265 | 15-09S-20E | 43-047-34781 | 99999 | FEDERAL | GW | APD |
| NBU 322-15E | 15-09S-20E | 43-047-33139 | 2900 | FEDERAL | GW | S |
| NBU CIGE 32A-20-9-20 | 20-09S-20E | 43-047-30496 | 2900 | FEDERAL | GW | PA |
| NBU 19-21B | 21-09S-20E | 43-047-30328 | 2900 | FEDERAL | GW | P |
| NBU 66 | 21-09S-20E | 43-047-31086 | 99998 | FEDERAL | GW | PA |
| NBU 118 | 22-09S-20E | 43-047-31969 | 2900 | FEDERAL | GW | P |
| NBU 119 | 22-09S-20E | 43-047-31973 | 2900 | FEDERAL | GW | P |
| NBU 294 | 22-09S-20E | 43-047-33020 | 99998 | FEDERAL | GW | PA |
| NBU 294X | 22-09S-20E | 43-047-33465 | 2900 | FEDERAL | GW | P |
| NBU 448 | 22-09S-20E | 43-047-34782 | 99999 | FEDERAL | GW | APD |
| NATURAL BUTTES SWD 4-22 | 22-09S-20E | 43-047-33611 | 99999 | FEDERAL | GW | LA |
| NBU 7 | 23-09S-20E | 43-047-15379 | 9244 | FEDERAL | GW | PA |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
- Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- If **NO**, the operator was contacted on: _____

6. (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 03/07/2003

2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/07/2003

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: RLB 0005236

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 158626364

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: RLB 0005239

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

1/6/2006

FROM: (Old Operator):

N2115-Westport Oil & Gas Co., LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

TO: (New Operator):

N2995-Kerr-McGee Oil & Gas Onshore, LP
 1368 South 1200 East
 Vernal, UT 84078
 Phone: 1-(435) 781-7024

| CA No. | | Unit: | | NATURAL BUTTES UNIT | | | | |
|-----------|-----|-------|-----|---------------------|-----------|------------|-----------|-------------|
| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 5/10/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/10/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/7/2006
- a. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
- b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: n/a 3 LA wells & all PA wells transferred
- 5c. Reports current for Production/Disposition & Sundries on: ok
- 6. Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/27/2006 BIA not yet
- 7. Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 3/27/2006
- 8. Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- 9. Underground Injection Control ("UIC")** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 5/15/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/15/2006
- Bond information entered in RBDMS on: 5/15/2006
- Fee/State wells attached to bond in RBDMS on: 5/16/2006
- Injection Projects to new operator in RBDMS on: _____
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a Name Change Only

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: CO1203
- Indian well(s) covered by Bond Number: RLB0005239
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0005236
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a rider added KMG
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/16/2006

COMMENTS:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

KERR-McGEE OIL & GAS ONSHORE LP

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **CHANGE OF OPERATOR**

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

PLEASE BE ADVISED THAT KERR-McGEE OIL & GAS ONSHORE LP, IS CONSIDERED TO BE THE OPERATOR OF THE ATTACHED WELL LOCATIONS. EFFECTIVE JANUARY 6, 2006.

KERR-McGEE OIL & GAS ONSHORE LP, IS RESPONSIBLE UNDER TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASE LANDS. BOND COVERAGE IS PROVIDED BY STATE OF UTAH NATIONWIDE BOND NO. RLB0005237.

RECEIVED

MAY 10 2006

DIV. OF OIL, GAS & MINING

BLM BOND = C01203

BIA BOND = RLB0005237

APPROVED 5/16/06

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

RANDY BAYNE

Title

DRILLING MANAGER

Signature

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

MULTIPLE LEASES

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

MUTIPLE WELLS

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY L.P.

3a. Address

1368 SOUTH 1200 EAST VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7024

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other CHANGE OF OPERATOR |
| | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon |
| | <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

EFFECTIVE JANUARY 6, 2006, WESTPORT OIL & GAS COMPANY L.P., HAS RELINQUISHED THE OPERATORSHIP OF THE ATTACHED WELL LOCATIONS TO KERR-McGEE OIL & GAS ONSHORE LP.

APPROVED 5/16/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
MAY 10 2006

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

BRAD LANEY

Signature

Title

ENGINEERING SPECIALIST

Date

May 9, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Brad Laney

Title

Office

Date

5-9-06

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

CO922 (MM)
3106
COC017387 et. al.

March 23, 2006

NOTICE

Kerr-McGee Oil & Gas Onshore L.P. :
1999 Broadway, Suite 3700 : Oil & Gas
Denver, CO 80202 :

Merger/Name Change - Recognized

On February 28, 2006 this office received acceptable evidence of the following mergers and name conversion:

Kerr-McGee Oil & Gas Onshore L.P., a Delaware Limited Partnership, and Kerr-McGee Oil & Gas Onshore LLC, a Delaware Limited Partnership merger with and into Westport Oil and Gas Company L.P., a Delaware Limited Partnership, and subsequent Westport Oil & Gas Company L.P. name conversion to Kerr-McGee Oil & Gas Onshore L.P.

For our purposes the merger and name conversion was effective January 4, 2006, the date the Secretary of State of Delaware authenticated the mergers and name conversion.

Kerr-McGee Oil & Gas Onshore L.P. provided a list of oil and gas leases held by the merging parties with the request that the Bureau of Land Management change all their lease records from the named entities to the new entity, Kerr-McGee Oil & Gas Onshore L.P. In response to this request each state is asked to retrieve their own list of leases in the names of these entities from the Bureau of Land Management's (BLM) automated LR2000 data base.

The oil and gas lease files identified on the list provided by Kerr-McGee Oil & Gas Onshore L.P. have been updated as to the merger and name conversion. We have not abstracted the lease files to determine if the entities affected by the acceptance of these documents holds an interest in the lease, nor have we attempt to identify leases where the entity is the operator on the ground that maintains vested record title or operating rights interests. If additional documentation, for change of operator, is required you will be contacted directly by the appropriate Field Office. The Mineral Management Services (MMS) and other applicable BLM offices were notified of the merger with a copy of this notice

Please contact this office if you identify additional leases where the merging party maintains an interest, under our jurisdiction, and we will document the case files with a copy of this notice. If the leases are under the jurisdiction of another State Office that information will be forwarded to them for their action.

Three riders accompanied the merger/name conversion documents which will add Kerr-McGee Oil and Gas Onshore LLC as a principal to the 3 Kerr-McGee bonds maintained by the Wyoming State Office. These riders will be forward to them for their acceptance.

The Nationwide Oil & Gas Continental Casualty Company Bond #158626364 (BLM Bond #CO1203), maintained by the Colorado State Office, will remain in full force and effect until an assumption rider is accepted by the Wyoming State Office that conditions their Nationwide Safeco bond to accept all outstanding liability on the oil and gas leases attached to the Colorado bond.

If you have questions about this action you may call me at 303.239.3768.

/s/Martha L. Maxwell
Martha L. Maxwell
Land Law Examiner
Fluid Minerals Adjudication

Attachment:

List of OG Leases to each of the following offices:

MMS MRM, MS 357B-1

WY, UT, NM/OK/TX, MT/ND, WY State Offices

CO Field Offices

Wyoming State Office

Rider #1 to Bond WY2357

Rider #2 to Bond WY1865

Rider #3 to Bond WY1127



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



IN REPLY REFER TO:
3106
(UT-922)

March 27, 2006

Memorandum

To: Vernal Field Office

From: Chief, Branch of Fluid Minerals

Subject: Merger Approval

Attached is an approved copy of the merger recognized by the Bureau of Land Management, Colorado State Office. We have updated our records to reflect the merger from Westport Oil and Gas Company L.P. into Kerr-McGee Onshore Oil and Gas Company. The merger was approved effective January 4, 2006.

Chief, Branch of
Fluid Minerals

Enclosure

Approval letter from BLM COSO (2 pp)

cc: MMS, Reference Data Branch, James Sykes, PO Box 25165, Denver CO 80225
State of Utah, DOGM, Attn: Earlene Russell, PO Box 145801, SLC UT 84114
Teresa Thompson
Joe Incardine
Connie Seare
Dave Mascarenas
Susan Bauman

RECEIVED

MAR 28 2006

UT. OF OIL, GAS & MINES